

Deed Book 46084 Pg 133
Filed and Recorded Dec-12-2007 12:24pm
2007-0342167
Cathelene Robinson
Clerk of Superior Court
Fulton County, Georgia

Upon recording, please return to:
J. Keith Taylor, Esq.
Burr & Forman LLP
171 17th Street, Suite 100
Atlanta, Georgia 30363

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

COUNTRY HILLS ESTATES



DEC 28 2007

TABLE OF CONTENTS

	Page
Article I	Creation of the Community..... 1
1.1.	Purpose and Intent..... 1
1.2.	Binding Effect..... 2
1.3.	Governing Documents..... 2
Article II	Definitions 4
Article III	Restrictions Affecting Lots 8
3.1.	Restrictions Affecting on Occupancy and Alienation..... 8
3.2.	Framework for Regulation..... 11
3.3.	Owner's Acknowledgment and Notice to Purchasers..... 11
3.4.	Rule Making Authority..... 12
3.5.	Protection of Owners and Residents..... 13
Article IV	Architecture and Landscaping..... 14
4.1.	General..... 14
4.2.	Architectural Review..... 14
4.3.	Guidelines and Procedures..... 16
4.4.	No Waiver of Future Approvals..... 17
4.5.	Variances..... 18
4.6.	Limitation of Liability..... 18
4.7.	Certificate of Compliance..... 18
Article V	Landscaping, Home Maintenance and Repair 19
5.1.	Landscaping Requirements..... 19
5.2.	Maintenance of Lots..... 19
5.3.	Responsibility for Repair and Replacement..... 19
5.4.	Responsibility for Water Fees..... 19
Article VI	CHEHOA and its Members 20
6.1.	Function of CHEHOA..... 20
6.2.	Membership..... 20
6.3.	Voting..... 20
Article VII	CHEHOA Powers and Responsibilities..... 21
7.1.	Acceptance and Control of CHEHOA Property..... 21
7.2.	Maintenance of Area of Common Responsibility..... 21
7.3.	Insurance..... 23
7.4.	Compliance and Enforcement..... 26
7.5.	Enforcement of CHEAS..... 28
7.6.	Implied Rights; Board Authority..... 29

7.7.	Indemnification of Officers, Directors, and Others.....	29
7.8.	Safety and Security.	29
7.9.	Gates and Entry Features.....	30
7.10.	Provision of Services.....	30
7.11.	Relationship with Other Properties.	31
7.12.	View Impairment.	31
7.13.	Relationship with Governmental and Tax-Exempt Organizations.....	31
Article VIII	CHEHOA Finances	31
8.1.	Budgeting and Allocating Common Expenses.....	31
8.2.	Budgeting for Reserves.	32
8.3.	Special Assessments.....	32
8.4.	Benefited Assessments.....	32
8.5.	Commencement of Assessment Obligation; Time of Payment.....	33
8.6.	Obligation for Assessments.....	33
8.7.	Lien for Assessments.	35
8.8.	Limitation on Increases of Assessments.	35
8.9.	Exempt Property.....	36
8.10.	Capitalization of CHEHOA.	36
Article IX	Expansion of the Community	36
9.1.	Expansion by Declarant.	36
9.2.	Expansion by CHEHOA.	37
9.3.	Additional Covenants and Easements.	37
9.4.	Effect of Filing Supplemental Declaration.....	37
Article X	Additional Rights Reserved to Declarant	37
10.1.	Withdrawal of Property.....	37
10.2.	Marketing and Sales Activities.	37
10.3.	Right to Develop.	38
10.4.	Right to Designate Sites for Governmental and Public Interests.	38
10.5.	Right to Approve Additional Covenants.....	38
10.6.	Right to Approve Changes in Country Hills Estates Standards.	38
10.7.	Right to Transfer or Assign Declarant Rights.	38
10.8.	Exclusive Rights to Use Name of Development.....	39
10.9.	Equal Treatment.....	39
10.10.	Right to Use Common Area for Special Events.....	40
10.11.	Easement to Inspect and Right to Correct.....	40
10.12.	Right to Notice of Design or Construction Claims.	40
10.13.	Termination of Rights.	41
Article XI	Easements	41
11.1.	Easements in Common Area.....	41
11.2.	Easements of Encroachment.	42
11.3.	Easements for Utilities, Etc.....	42
11.4.	Easements to Serve Additional Property.....	43
11.5.	Easements for Maintenance, Emergency, and Enforcement.....	43

11.6.	Easements for Cross-Drainage.....	43
11.7.	Rights to Stormwater Runoff, Effluent and Water Reclamation and Minerals.....	43
11.8.	Easements for Pond Maintenance and Flood Water.	44
Article XII	Party Walls and Other Shared Structures.....	44
Article XIII	Dispute Resolution and Limitation on Litigation.....	45
13.1.	Agreement to Encourage Resolution of Disputes Without Litigation.....	45
13.2.	Dispute Resolution Procedures.	46
13.3.	Initiation of Litigation by CHEHOA.	47
Article XIV	Mortgagee Provisions.....	47
14.1.	Notices of Actions.....	47
14.2.	No Priority.....	48
14.3.	Notice to CHEHOA.	48
14.4.	Failure of Mortgagee to Respond.....	48
Article XV	Changes in Ownership of Lots.....	48
Article XVI	Changes in Common Area.....	49
16.1.	Condemnation.	49
16.2.	Partition.	49
16.3.	Transfer or Dedication of Common Area.....	49
16.4.	Assignment and Reassignment of Limited Common Area.	49
Article XVII	Amendment of Declaration.....	50
17.1.	By Declarant.....	50
17.2.	By Members.....	50
17.3.	Validity and Effective Date.....	50
17.4.	Exhibits.	50

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>	<u>Page First Mentioned</u>
"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	3
"C"	Initial Use Restrictions	3
"D"	By-Laws of Country Hills Estates Homeowners Association, Inc.	3

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
COUNTRY HILLS ESTATES

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COUNTRY HILLS ESTATES ("Declaration") is made this 12th day of December, 2007, by Southern Gentry Developments II, LLC, a Georgia limited liability company ("Declarant"). Any reference in collateral documentation referring to "CC&Rs" for the Country Hills Estates shall refer to this Declaration.

This Declaration is part of a general plan to protect and enhance the value and desirability of all property now or hereafter subject hereto. This document does not and is not intended to create a condominium under Georgia law.

INTRODUCTION TO THE COMMUNITY

Southern Gentry Developments II, LLC, as Developer of Country Hills Estates, has created this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, expansion, administration, maintenance, and preservation of Country Hills Estates as a master planned community.

Article I Creation of the Community

1.1. Purpose and Intent.

Declarant, as the owner of the real property described in Exhibit "A," intends by recording this Declaration to establish a general plan of development for the planned community known as "Country Hills Estates" consisting of residential, recreational and other areas and uses. This Declaration provides for the overall development, administration, maintenance, and preservation of Country Hills Estates, and provides flexible and reasonable procedures for its future expansion. Declarant intends, without obligation, that when developed fully, Country Hills Estates will include a residential neighborhood and greenbelts with open spaces and trails.

An integral part of the development plan is the creation of Country Hills Estates Homeowner's Association, Inc. ("CHEHOA"), a Georgia nonprofit corporation, to own, operate, and/or maintain amenities upon various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents (defined hereafter) referenced in this Declaration. CHEHOA may exercise all rights and powers that the Governing Documents and Georgia law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or privilege.

The Master Plan (defined hereinafter) provides for a variety of land use classifications. The land use classifications in Country Hills Estates shall be (a) Single Family Residential; (b) Natural Open Space Use; and (c) such other residential or other related areas, as may be set forth in any special use or administrative permit issued by the City of Sandy Springs, Georgia and approved by the Declarant for the use of a Lot as residential housing for nonprofit religious corporations.

Declarant reserves the right, without obligation, to annex additional land into the Country Hills Estates planned community, which land is defined and described under Section 9.1 relating to annexation of property ("Annexable Property").

1.2. Binding Effect.

All property described in Exhibit "A," and any additional property made subject to this Declaration in the future by recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to this Declaration. This Declaration shall run with the title to such property and shall be binding upon all Persons having any right, title, or interest in any portion of the Community, their heirs, successors, successors-in-title, and assigns whether or not it is specifically referenced in the conveyance deed.

Declarant, CHEHOA, any Owner, and their respective legal representatives, heirs, successors, and assigns may enforce this Declaration. Unless otherwise provided by Georgia law, this Declaration shall have perpetual duration. If the period during which covenants may run with the land is limited, this Declaration shall be effective for the maximum period permitted by Georgia law. After such period, this Declaration shall be extended automatically for successive 10-year periods unless at least 90% of the then Owners sign a document stating that the Declaration is terminated and that document is recorded within the year before any extension. In such case, this Declaration shall expire on the date specified in the termination document.

In any event, if any provision of this Declaration would be unlawful, void, or voidable by a law which restricts the period of time that covenants on land may be enforced, such provision shall expire 21 years after the death of the last survivor of the now living descendants of George W. Bush. This Section shall not permit termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3. Governing Documents.

The Community has been established and is administered pursuant to various documents that have a legal and binding effect on all Owners and occupants of property in the Community, as well as on anyone else that may now or in the future have an interest in any portion of the property comprising the Community. The Governing Documents create a general plan of development for Country Hills Estates.

The Governing Documents apply to all Owners and all Occupants of their Lot, as well as their respective tenants, guests, and invitees. **Declarant shall not be subject to the obligations set forth in the Declaration, unless specifically noted as Declarant obligations.** Any lease on a Lot shall provide that the tenant and all Occupants of the leased Lot shall be bound by the terms of the Governing Documents and shall be responsible for compliance with such terms by their guests and invitees.

The Community's Governing Documents consist of the following and shall be deemed to include all amendments thereto:

Country Hills Estates**Governing Documents**

<u>Name of Documents</u>	<u>Purpose</u>
Articles of Incorporation → (filed with Georgia Secretary of State)	establishes CHEHOA as a non-profit corporation under Georgia law
By-Laws → (the Board of Directors adopts)	describes the system to govern CHEHOA's internal affairs, such as voting rights, elections, meetings, officers, etc.
Declaration → (recorded in Fulton County, Georgia)	creates obligations and rights, which are binding upon CHEHOA and all present and future owners of property in the Community
Supplemental Declaration → (recorded upon annexation of each parcel)	adds property to the Community; may impose additional obligations or restrictions applicable to the specific parcel or create easements over the property described in the Supplemental Declaration
Country Hills Estates Architectural Standards → (Declarant adopts)	establishes architectural and aesthetic standards, guidelines and procedures for improvements and modifications to Lots and Common Areas, including structures, landscaping, and other items on Lots
Use Restrictions → (initial set attached as Exhibit "C" to Declaration)	govern use of privately owned property and activities within Country Hills Estates
Board Resolutions and Rules → (Board adopts)	establish rules, policies, and procedures for CHEHOA's operations; regulate operation and use of Common Area

All of the foregoing documents, other than the Declaration, may be amended from time to time by the Board or the Declarant without the approval of Owners, and all current Owners are responsible for obtaining a copy of the most current such document.

Additional restrictions or provisions, which are more restrictive than the provisions of this Declaration may be imposed on any Lot in which case, the more restrictive provisions will be controlling. However, no Person shall record any additional covenants, conditions, or restrictions affecting any portion of the Community without Declarant's written consent, so long as Declarant owns any property described in Exhibit "A" or "B." Any instrument recorded without the required consent is void and of no force and effect.

If there are conflicts between Georgia law and the Governing Documents, Georgia law shall control. If there are any conflicts between or among any of the Governing Documents, then the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

Unless otherwise specifically provided, any notice provided for in the Governing Documents shall be provided in accordance with the By-Laws.

If any judgment or court order should determine that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision.

All diagrams, which are included in the Governing Documents, are intended only to summarize the express written terms therein. **Diagrams are not intended to supplant or supplement the express written or implied terms contained in the Governing Documents.**

Article II Definitions

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as follows:

"Annexable Property": All or any portion of the property described in Exhibit "B" hereto.

"Area of Common Responsibility": All of the properties and facilities for which the CHEHOA has responsibility under the Covenants, or for which CHEHOA otherwise agrees to assume responsibility, are collectively referred to as the Area of Common Responsibility regardless of who owns them. The Area of Common Responsibility includes all of the Common Area and may also include Lots or portions of Lots and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in Section 7.2.

"Articles": CHEHOA's Articles of Incorporation, filed with the Georgia Secretary of State, as they may be amended from time to time.

"Assessment" or "Assessments": Any Base Assessment, Benefited Assessment, Special Assessment, or any other fees, fines or charges made or assessed hereunder by CHEHOA against an Owner and his or her Lot in accordance with the provisions of Article 8.1 below.

"Assessment Lien": A lien that is created or imposed as set forth in Section 8.7.

"Assessable Property": Property that is a Lot in Country Hills Estates, excluding any Exempt Property.

"Base Assessment": Annual assessments levied to fund Common Expenses for the general benefit of all Lots, as determined in accordance with Section 8.1.

"Benefited Assessment": Assessments charged against a particular Lot or particular Lots for CHEHOA expenses as described in Section 8.4.

"Board of Directors" or "Board": The body responsible for CHEHOA's general governance and administration, selected as provided in the By-Laws.

"Builder": Anyone who acquires one or more Lots for the purpose of constructing homes for later sale to consumers, or who purchases land within the Community for further subdivision, development, and/or resale in the ordinary course of its business. Builders have the same privileges and responsibilities as Owners during the time that they own Lots for construction and resale, including privileges of membership in the Association.

"By-Laws": CHEHOA's By-Laws, as they may be amended from time to time. A copy of the initial By-Laws is attached to this Declaration as Exhibit "D."

CHEARB" or "Country Hills Estates Architectural Review Board": The architectural review board established to review plans and specifications for the construction or modification of improvements and to administer and enforce the CHEAS, as described in Article IV.

CHEHOA" or "Country Hills Estates Homeowners Association, Inc.": The Georgia nonprofit corporation, its successors or assigns incorporated to govern and manage the Community.

CHEAS" or "Country Hills Estates Architectural Standards": The architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV for all construction other than new construction and modifications to existing structures performed by anyone other than the Developer.

Common Expenses" The actual expenses that CHEHOA incurs for the general benefit of all Owners, including reserves, if any, the Board finds necessary or appropriate.

Common Area" and "Common Areas": All real and personal property, including easements and other land use rights, which CHEHOA owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, including areas designated as Common Area by Declarant from time to time, areas designated as "common element" or "common area" on a Plat.

Community" or "Country Hills Estates": The real property described in Exhibit "A," together with such additional property shown on Exhibit "B" or otherwise, as is subjected to this Declaration in accordance with Article IX.

Community-Wide Standard": The highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing at Country Hills Estates, or (b) the minimum standards described in this Declaration, the CHEAS, Use Restrictions, and Board resolutions. The Community-Wide Standard may contain both objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the Reviewer (as defined in Article IV). The Community-Wide Standard may or may not be set out in writing. The Declarant initially shall establish such standard; however, the Community-Wide Standard may evolve as development progresses and as Country Hills Estates matures.

Declarant": Southern Gentry Developments II, LLC., a Georgia limited liability company, or any successor or assign who has or takes title to any portion of the property described in Exhibit "A" or "B" for development and/or sale and who is designated as Declarant in a recorded instrument the immediately preceding Declarant executes.

Declarant Control Period": The period of time during which the Declarant may appoint a majority of the Board members. The Declarant Control Period ends when any of the following occur:

- (a) when 95% of the total number of Lots permitted by applicable zoning for the property described in the Master Plan have certificates of occupancy issued thereon and have been conveyed to persons other than Builders holding title for purposes of construction and resale;
- (b) December 31, 2037; or
- (c) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

Declarant's Affiliate": Any Person directly or indirectly controlling, controlled by or under common control with the Declarant, and shall include, without limitation, any general or limited

partnership, limited liability company, limited liability partnership or corporation in which the Declarant (or another Declarant Affiliate) is a general partner, managing member or controlling shareholder.

"Declaration": This Declaration of Covenants, Conditions and Restrictions for Country Hill Estates, as amended from time to time.

"Dwelling": A single building or structure or portion of a building or structure situated upon a Lot, which is intended for use and occupancy as a separate attached or detached Dwelling for one or more persons. Notwithstanding the above, an ancillary "guest house" or "in-law suite" on a Lot shall not be a separate Dwelling but, instead, shall be deemed a part of the structure serving primarily as the Dwelling on the Lot.

"Estimated Common Expenses": The estimated expenses that CHEHOA expects to incur for the general benefit of all Owners, including reserves, if any, the Board finds necessary or appropriate.

"Governing Documents": The documents referred to in Section 1.3 of the Declaration.

"Guest House": An ancillary "guest house" or "in-law suite" on a Lot shall not be a separate Dwelling as that term is defined but, instead, shall be deemed a part of the structure serving primarily as the Dwelling on the Lot.

"Improvement": Any (a) Dwelling, building, fence or wall; (b) any swimming pool, tennis court, basketball court, road, driveway, parking area or satellite dish; (c) any trees, plants, shrubs, grass or other landscaping improvements of every type and kind and (d) any other approved structure of any kind or nature.

"Limited Common Area": Any portion of the Common Area designated and assigned for the exclusive use or primary benefit of a Lot within the Community. Declarant may designate property as Limited Common Area and assign it to particular Lots on the recorded plat depicting such property, in the deed conveying such property to CHEHOA, or in the Supplemental Declaration by which property is submitted to the terms of this Declaration, or in any other recorded Supplemental Declaration designating such property by reference to the recorded plat of such property.

"Lot": A portion of Country Hills Estates, whether improved or unimproved, which may be independently owned and conveyed, and upon which a Dwelling is intended for development, use, and occupancy. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling, on the Lot. The boundaries of each Lot shall be shown on a Plat or other recorded map; provided, in the case of a building containing multiple Dwellings for individual sale, each Dwelling capable of being sold individually shall be a separate Lot. The term shall not include Common Area or property dedicated to the public or land owned by Declarant within the Master Plan not yet subjected to a Supplemental Declaration.

"Master Plan" or "Master Development Plan": The land use plan for the development of Country Hills Estates approved by the City of Sandy Springs, Georgia, as it may be amended from time to time, which includes all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B." Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration or limit the Declarant's ability to subject it to a different Declaration, nor shall the omission of property described in Exhibit "B" from the Master Plan bar its later submission to this Declaration.

"Member": Each Owner of a Lot, subject to Section 6.2, holding Membership in CHEHOA pursuant to the Declaration.

"Membership": A Membership in CHEHOA and the rights granted to the Owners of Lots pursuant to Section 6.2 to participate in CHEHOA.

"Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

"Mortgagee": Any holder or beneficiary of a mortgage on a Lot within the Community.

"Occupy", "Occupies", or "Occupancy": Unless otherwise specified in the Governing Documents, staying overnight in a particular Dwelling for at least ninety (90) total days in the subject calendar year. The term "Occupant" shall refer to any individual other than an Owner who Occupies a Dwelling or is in possession of a Lot or any portion thereof or building or structure thereon, whether as a Lessee or otherwise, other than on a merely transient.

"Owner": The Record title holder to any Lot, but excluding, in all cases, anyone holding an interest merely as security for the performance of an obligation (*e.g.*, a Mortgagee). If a Lot is sold under a recorded agreement of sale, and the contract specifically so provides, the purchase (rather than the fee owner) will be considered the Owner. An Owner is any Person or Persons who individually or collectively own fee title to a Lot (as evidenced by a Recorded Instrument), provided that: (a) the Declarant (and not the fee title holder) shall be deemed to be the "Owner" of each Lot with respect to which fee title is held by a Declarant Affiliate or by a trustee (other than the trustee of a deed of trust) for the benefit of the Declarant of a Declarant Affiliate; (b) in the event that, and for so long as, the Declarant or a Declarant Affiliate has, pursuant to a written agreement, an existing right or option to acquire any one or more Lots (other than by exercise of a right of first refusal or right or option to acquire any one or more Lots (other than by exercise of a right of first refusal or right to which the Declarant or a Declarant Affiliate has such right or option); (c) in any case where fee title to a Lot is vested in a trustee under a deed of trust pursuant to Georgia law, the owner of the trustor's interest under the deed of trust shall be deemed to be the "Owner" of that Lot. Where reference is made in this Declaration to Lots "owned by" a Person, such phrase shall be deemed to refer to Lots of which that Person is the Owner as determined pursuant to this definition.

"Party Structure": Each wall, fence, driveway, or similar structure built on the Lots which serves and/or separates any two adjoining Lots or a Lot and Common Area shall constitute a party structure.

"Person": An individual, a corporation, a partnership, business trust, estate, a trustee, association, limited liability company, limited liability partnership, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

"Plat": Any Recorded engineering or land survey plat for all or any portion of Country Hills Estates, together with such other diagrammatic information regarding the Community as the Act or other laws may require, or as Declarant may Record, as they may be amended and supplemented from time to time.

"Preserve Areas": Those areas within the Community which may be set aside for preserving natural values, such as stream corridors, areas preserved as natural habitat or areas dedicated as wildlife or conservation habitat to mitigate the environmental affects of constructing the Community. While preserved for the benefit of the Community and its residents, the use of these areas may be restricted in

accordance with deed restrictions placed on those areas or other mechanisms to ensure preservation of the areas in their natural state.

"Property": The real property described in Exhibit "A", together with such additional property as is subjected to this Declaration pursuant to annexation provisions set forth in Section 9.1.

"Record," "Recording," or "Recorded": To record, the recording of or recorded of record a legal instrument with the Clerk of the Superior Court of Fulton County, Georgia, or such other place designated as the official Fulton County location for recording documents affecting title to real estate.

"Reserve": "Reserves" means funds that are set aside by CHEHOA to pay for the repair or replacement of community assets for which CHEHOA is responsible.

"Single Family": A group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than four (4) persons not all so related, who maintain a common household in a Dwelling.

"Special Assessment": Any assessment levied and assessed against all Owners or some Owners - in accordance with Section 9.4.

"Supplemental Declaration" A recorded instrument under which the Declarant subjects additional property to this Declaration, identifies Common Area, and/or imposes expressly or by reference additional restrictions and obligations on the land described in such instrument.

"Tenant": Person who has an agreement with Owner or a Tenant if approved in writing by the Board to lease the Dwelling for a minimum of six (6) months, provided that a copy of the lease has been provided to CHEHOA and this lease is subject to this Declaration.

"Use Restrictions": The use restrictions, rules, and regulations governing the use of and activities on the Lots set forth in Exhibit "C," in accordance with Article III.

"Visible from Neighboring Property": With respect to any given object, that such object is or would be visible to a person six feet tall standing on neighboring property, on the level of the base of the structure or building being viewed.

CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance, and design at Country Hills Estates are what give the community its identity and make it a place that people want to call "home." This Declaration establishes procedures for adopting, modifying, applying, and enforcing such standards while providing the flexibility for community standards to evolve as the Community changes and grows.

Article III Restrictions Affecting Lots

3.1. Restrictions Affecting on Occupancy and Alienation.

(a) Residential and Related Uses. The Community shall be used in for those purposes as set forth in Section 1.1, which includes, but is not limited to residential, recreational, and related purposes. Related purposes may include, without limitation, offices for CHEHOA or its management agent(s), Declarant's business or sales office(s) and any business use which meets the conditions of Section 3.1(c)

below. In addition, CHEHOA or Declarant may permit limited business activity within the confines of a Dwelling that does not detract from the Community's residential and recreational character. Supplemental Declarations or any other Recorded covenants may impose stricter standards than those contained in this Article and CHEHOA shall have standing and the power to enforce such standards.

(b) Business Use. No business shall be conducted in or from any Lot, except that an Owner or a resident of the Lot may conduct business activities within the Dwelling so long as:

(i) the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling;

(ii) the business activity complies with applicable zoning requirements;

(iii) the business activity does not involve regular visitation of the Dwelling by clients, customers, suppliers, or other business invitees or door-to-door solicitation within the Community; and

(iv) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Community, as determined in the Board's sole discretion.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (A) such activity is engaged in full or part time, (B) such activity is intended to or does generate a profit, or (C) a license is required.

This Section shall not apply to restrict Declarant's activities in the Community, nor shall it restrict the activities of Persons approved by Declarant involved with the development and sale of property in the Community. Additionally, this Section shall not apply to any CHEHOA activity relating to operating and maintaining the Community, including the Community's recreational and other amenities.

Leasing a Dwelling for a period of at least six (6) months is not a "business" within the meaning of this subsection.

(c) Leasing. For purposes of this Declaration, the terms "lease" and "leasing" shall refer to the regular, exclusive occupancy of a Dwelling by any Person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or compensation. Any Lot that is leased shall be leased only in its entirety (*e.g.*, separate rooms within the same Dwelling may not be separately leased). No fraction or portion may be leased.

No structure on a Lot other than the primary Dwelling shall be leased or otherwise occupied for residential purposes, except that structures used for ancillary purposes, such as an "in-law suite" or detached "guest house," may be occupied, but not independently leased. There shall be no subleasing of a Dwelling or assignment of leases except with the Board's prior written approval.

All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Lot are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease. The restrictions on lease terms set forth in this paragraph shall not apply to Lots owned by Declarant.

Notice of any lease, together with such additional information as the Board may require, shall be given to the Board or its designee by the Owner within ten (10) days of execution of the lease. The Owner must make available to the tenant copies of the Governing Documents. CHEHOA or the Board may adopt reasonable Use Restrictions and rules regulating leasing and subleasing and the activities of tenants and subtenants.

No transient tenants, except on a Lot with a valid governmental use permit and as approved by Declarant, may be accommodated in a Dwelling. All leases, including sub-leases, shall be in writing and shall be for an initial term of at least six months.

(d) Maximum Occupancy. No more than two Persons per bedroom shall occupy the same Dwelling Unit on a regular and consistent basis (as determined in the Board's discretion).

(e) Occupants Bound. The Governing Documents apply to all Occupants of and visitors to any Lot. Every Owner shall cause anyone occupying or visiting his or her Lot to comply with the Governing Documents and shall be responsible for all violations and losses to the Common Area caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

(f) Subdivision of a Lot and Time-Sharing. Lots may not be subdivided or their boundary lines changed except with the Declarant's prior written approval; provided, Declarant may subdivide, change the boundary line of, and replat any Lot(s) it owns, and, for so long as Declarant owns any portion of the Community, convert Lots into Common Area or Common Area to Lots at any time prior to the transfer of title to CHEHOA.

Timesharing, fraction-sharing, or similar programs whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years is prohibited, unless such program is established by Declarant, while Declarant owns any property within the Community.

(g) Disease and Insects. No Person shall permit any thing or condition to exist upon any Lot or other Property which shall induce, breed or harbor infectious diseases or noxious insects.

(h) Mineral Exploration. No Lot or other Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, gas, earth or any earth substance of any kind, except for the drilling, operation and maintenance of any testing, inspection or other water wells approved by the Declarant.

(i) Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals shall be erected, placed or maintained anywhere in or upon any Lot or other property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the CHEARB; provided, this prohibition shall not restrict the construction and erection of a cellular tower within the Community if approved by Declarant in its sole discretion. No provision of this Declaration shall be deemed to forbid the erection of temporary power or telephone structures for emergency purposes or incident to the construction of buildings or structures approved by the CHEARB. Notwithstanding the foregoing, utility meters and related panels and similar equipment may be placed on outside building walls exposed to view from a street in order to comply with any requirements, regulations, orders, conditions or specifications of any public, quasi-public or private utility or any governmental agency or body, provided that reasonable efforts shall be made to avoid placing any such

meter, panel or other equipment on the outside front wall of a Dwelling or other building facing the street running directly in front of such Dwelling.

(j) Model Homes and Speculative Homes. Any provisions of this Declaration, Supplemental Declarations or any other Declarations which prohibit non-residential use of Lots and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes or other model Dwelling of any kind (including, without limitation, any used in whole or in part as sales offices, or design center displays (collectively "Models") by Builders or Persons engaged in the construction of Dwellings in Country Hills Estates, or parking incidental to the visiting of such Models, so long as the construction, operation and maintenance of such Models and parking otherwise comply with all of the provisions of this Declaration. CHEARB may also permit Lots and other areas to be used for parking in connection with the showing of Models. Any homes or other structures constructed as Models shall cease to be used as Models at any time the Owner thereof is not actively engaged in the construction and sale of Dwellings in Country Hills Estates and no home or other structure shall be used as a Model for the sale of homes or other structures not located in Country Hills Estates. In connection with the construction of Dwellings within the Community, no more than nine (9) speculative homes shall be allowed within the Development at any given time. Builders and Persons engaged in the construction of Dwellings acknowledge and agree that construction within the Community shall be limited as described herein; provided, the Declarant may waive the prohibition during the Declarant Control Period. For purposes of this section, a speculative home shall mean a Dwelling available for sale and, not under contract to be sold or being constructed under a purchase agreement with a third party purchaser.

(k) Incidental Uses. CHEARB may approve uses of property within a land use classification which are incidental to the full enjoyment of the Owners and Occupants of Country Hills Estates within the land use classification. Such approval may be subject to such regulations, limitations and restrictions, including termination of the use, as CHEARB may wish to impose, in its sole discretion, for the benefit of Country Hills Estates as a whole.

3.2. Framework for Regulation.

In addition to the foregoing restrictions affecting Lots, the Governing Documents establish, as part of the general plan of development, a framework of affirmative and negative covenants, easements, and restrictions which govern the Community, including the Use Restrictions set forth in Exhibit "C." Within that framework, CHEHOA must have the ability to respond to unforeseen problems and changes affecting the community. Therefore, this Article establishes procedures for modifying and expanding the Use Restrictions to respond to such changes.

The procedures set forth in this Article shall not apply to the Board's enactment and enforcement of rules and regulations relating to use and operation of the Common Area or other administrative rules, which the Board may adopt by resolution.

3.3. Owner's Acknowledgment and Notice to Purchasers.

All Owners are given notice that use of their Lots and the Common Area is limited by the Use Restrictions as amended, expanded, and otherwise modified from time to time. **Each Owner, by accepting a deed, and each Tenant, by accepting a Lease, acknowledges and agrees that the use, enjoyment, and marketability of his or her Lot can be affected by the Use Restrictions and Board rules, which may change from time to time. All Lot purchasers are on notice that CHEHOA may have adopted changes to the Use Restrictions and that such changes may not be set forth in a Recorded document.** Copies of the current Use Restrictions and Board rules may be obtained from

CHEHOA. CHEHOA may provide such documentation through electronic transmission or through the use of a community website, and it is the Owner's responsibility to reference the website.

Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

3.4. Rule Making Authority.

(a) Subject to the notice requirements contained herein and the Board's duty to exercise judgment and reasonableness on behalf of CHEHOA and its Members, the Board may adopt new Use Restrictions and modify or rescind existing Use Restrictions by majority vote of the directors at any Board meeting. The Board shall provide notice to all owners of any proposed change at least five (5) business days before the Board meeting to consider the change. Members shall have a reasonable opportunity to be heard on the proposed change at such Board meeting.

If endorsed by the Board, the proposed change shall be approved unless disapproved by a majority of the Members. The Board is not obligated to call a meeting to consider disapproval unless it receives a petition of the Members which meets the requirements for special meetings in the By-Laws. If the Board receives such a petition before the effective date of the Board's action under this Section 3.4(a), the proposed change shall not become effective until after a meeting is held, and then subject to the outcome of such meeting.

(b) Alternatively, the Members, representing a majority of the votes in CHEHOA, at an meeting duly called for such purpose, may vote to change the Use Restrictions then in effect. Any such change shall require approval of the Declarant during the Declarant Control Period.

(c) Before any Use Restriction change becomes effective, the Board shall provide at no cost a copy of the new or changed Use Restriction to each Owner. The change does not become effective until at least 30 days following the date of such distribution to Owners. Each Owner shall be bound regardless of whether the distribution is received. CHEHOA shall provide, without cost, a copy of the Use Restrictions then in effect to any requesting Member, Tenant or Mortgagee.

(d) At least once every two (2) years after the Declarant Control Period ends, the Board shall review and evaluate the then current Use Restrictions for continued visibility or necessity within the Community.

(e) No action taken under this Article shall have the effect of modifying, repealing, or expanding the CHEAS or any provision of this Declaration other than the Use Restrictions. In the event of a conflict between the CHEAS and the Use Restrictions, the CHEAS shall control. In the event of a conflict between the Use Restrictions and any provision of this Declaration (exclusive of the Use Restrictions), the Declaration shall control.

(f) Notice under this Section may be sent to each Owner by any manner permitted under the Georgia law, including, if so permitted: U.S. Mail, electronic communication (*i.e.*, "fax" or "e-mail") with confirmation of receipt, or publication in the community newsletter delivered or mailed to each Owner, provided such action is clearly identified under a separate newsletter headline.

3.5. Protection of Owners and Residents.

Except as may be set forth in this Declaration (either initially or by amendment) or in the Use Restrictions CHEHOA's actions with respect to Use Restrictions and rules must comply with the following:

(a) Similar Treatment. Similarly situated Lots shall be treated similarly; however, the Use Restrictions may vary by housing type.

(b) Displays. No Use Restriction shall prohibit an Owner or occupant from displaying decorations on his or her Lots of the kinds normally displayed in single-family residential neighborhoods. However, CHEHOA may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside structures on the Lot, including reasonable limitations on size and number. Notwithstanding anything herein to the contrary, no Use Restriction, Rule or any amendment thereto shall prohibit the display of religious, or holiday symbols and decorations on any portion of the Common Area, and this provision may not be amended without the unanimous consent of all Owners.

(c) Rights of Assembly. Members and Residents shall be permitted to engage in orderly conduct to express opinions to the membership at large only pursuant to CHEHOA's approved Assembly Policy.

(d) Household Composition. CHEHOA shall not interfere with the freedom of Members and residents within a household, except that it may limit the total number of Persons entitled to occupy a Dwelling based upon the size of the Dwelling (based on such factors as the number of bedrooms), not to exceed the number permitted under current zoning ordinances, and limit the number of Occupants per household who have full privileges as members to use of the Common area.

(e) Activities Within Dwellings. CHEHOA shall not interfere with activities carried on within a Dwelling, except it may prohibit activities not normally associated with the uses of Lots allowed hereunder, and it may restrict or prohibit activities that create monetary costs for CHEHOA or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling, or that create an unreasonable source of annoyance.

(f) Alienation. CHEHOA shall not prohibit leasing or transfer of any Lot, subject to the Governing Documents. CHEHOA may require that Owners use CHEHOA-approved lease forms (or include specific lease terms) and may impose a reasonable review or administrative fee on the lease or transfer of any Lot and may set minimum lease terms for leases of Dwellings within the community.

(g) Abridging Existing Rights. CHEHOA may not require an Owner to dispose of personal property that was in or on a Lot in compliance with previous rules. This exemption shall apply only during the period of such Owner's ownership of the Lot, and shall not apply to subsequent Owners who take title to the Lot after adoption of the rule.

(h) Reasonable Rights to Develop. No Use Restriction may unreasonably interfere with Declarant's ability to develop, market, and sell property in Country Hills Estates.

(i) Interference with Easements. No Use Restriction may unreasonably interfere with the exercise of any easement.

The limitations in subsections (a) through (i) of this Section shall only limit rule making authority exercised under Section 3.4; they shall not apply to amendments to this Declaration adopted in accordance with Article XXI.

Article IV Architecture and Landscaping

4.1. General.

The Community derives its unique character from a mix of compatible architectural styles and from the cooperation of all Builders and Owners in upholding minimum design, landscaping, and aesthetic standards. This Article explains how those standards are established and how they are applied and maintained through a process requiring prior approval for construction on and exterior modifications to improvements on Lots and Dwelling.

No structure or thing shall be placed, erected, or installed upon any Lot and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations, or planting or removal of landscaping) shall take place within Country Hills Estates, except in compliance with this Article and the CHEAS. Each Dwelling shall be designed by and built in accordance with the plans and specifications of a licensed architect approved by Declarant, unless Declarant or its designee, in its sole discretion, otherwise approves.

No approval shall be required to repaint the exterior or using the most recently approved color scheme or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Any Owner may remodel, paint, or redecorate the interior of structures (including the Dwelling) on his or her Lot without approval. However, modifications to the interior of screened porches, patios, and any other portions of a Lot visible from outside a structure shall be subject to approval as set forth in the CHEAS.

Any Dwelling constructed on a Lot shall be designed by and built in accordance with the plans and specifications of a licensed architect unless the Declarant or its designee in its sole discretion otherwise approves.

Approval under this Article is not a substitute for any approvals or reviews required by the City of Sandy Springs, Georgia or any municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

This Article shall not apply to Declarant's design and construction activities, or to CHEHOA's activities during the Declarant Control Period.

4.2. Architectural Review.

(a) By Declarant; New Construction. Declarant shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for original construction within the Community. This right shall continue until 100% of the Lots have been conveyed to Members and contain a finished Dwelling, unless Declarant earlier terminates its rights in a recorded instrument. In reviewing and acting upon any request for approval, Declarant or its designee acts solely in Declarant's interest and owes no duty to any other Person.

Declarant may, in its discretion, designate one or more Persons or an outside management company, from time to time to act on its behalf in reviewing applications.

Declarant may from time to time, but shall not be obligated to, delegate or assign all or any portion of its rights under this Article to any other Person or committee, including CHEARB. Any such delegation shall be in writing, specifying the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(b) CHEARB; Modifications. Until the termination or delegation of Declarant's rights set forth in Section 4.2(a), Declarant shall have the exclusive authority to administer and enforce architectural controls and to review and act upon all applications for modifications to improvements constructed within the Community. Until such time, Declarant shall maintain and provide to CHEHOA records of all approvals and denials. Upon the termination or delegation of Declarant's rights under Section 4.2(a), the Board shall establish CHEARB, which shall consist of at least three (3), but not more than seven (7), Persons. Members of CHEARB shall be appointed by and shall serve at the discretion of the Board; provided, as long as Declarant owns any property described in Exhibit "A" or "B", at all times, Declarant may appoint one member of CHEARB.

CHEARB members need not be owners or representatives of Owners. CHEARB may, but need not, include Architects, engineers, or similar professionals. CHEHOA may compensate CHEARB members in such manner and amount, if any, as the Board may determine appropriate.

Until expiration of Declarant's rights under this chapter, CHEARB shall notify Declarant in writing within three (3) business days of any action (i.e., approval, partial approval, or disapproval) it takes under this Article. A copy of the application and any additional information Declarant may require shall accompany the notice. Declarant shall have ten (10) business days after receipt of such notice to veto any such action, in its discretion, by written notice to CHEARB.

The Declarant or the Board may create and appoint such subcommittees of CHEARB as deemed appropriate. Such subcommittees may be established to preside over particular areas of review (e.g., landscape plans) and shall be governed by such procedures as may be established by CHEARB or the Board. Any action of any subcommittee shall be subject to the review and approval of CHEARB and Declarant, for as long as Declarant owns any property described in Exhibit "A" or "B." Notwithstanding the above, neither CHEARB nor Declarant shall be obligated to review all actions of any subcommittees and the failure to take action in any instance shall not be a waiver of the right of CHEARB or Declarant to act in the future.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the CHEARB or Declarant's rights under this Article terminate, CHEHOA shall have no jurisdiction over Architectural matters.

(c) Reviewer. The entity having jurisdiction in a particular case (whether Declarant or its designees or CHEARB) shall be referred to as the "Reviewer."

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include the reasonable costs incurred in having any application reviewed by Architects, engineers, or other professionals. The Board shall include the estimated compensation of such Persons in CHEHOA's annual operating budget.

4.3. Guidelines and Procedures.

(a) Country Hills Estates Architectural Standards. Declarant shall prepare the initial CHEAS, which may contain general provisions applicable to all of Country Hills Estates as well as specific provisions which vary among housing types, uses, or locations within the Community. The CHEAS are intended to provide guidance to Owners, Builders, and contractors regarding matters of particular concern to the Reviewer. CHEAS is not the exclusive basis for the Reviewer's decisions and compliance with the CHEAS does not guarantee approval.

Declarant shall have sole and full authority to amend the CHEAS for so long as it has review authority under Section 4.2(a). Declarant's right to amend the CHEAS shall continue even if it delegates reviewing authority to CHEARB, unless Declarant also delegates the power to amend to CHEARB. Upon termination or delegation of Declarant's right to amend, CHEARB may amend the CHEAS with the written consent of the Board.

Amendments to the CHEAS shall apply prospectively only. The CHEAS shall not require modifications to or removal of any structures previously approved once the approved construction or modification has commenced. However, any new work on such structures must comply with the CHEAS as amended. There shall be no limitation on the scope of amendments to the CHEAS, and such amendments may remove requirements previously imposed or otherwise make the CHEAS less restrictive.

The Reviewer shall make CHEAS available to Owners and contractors upon request. In Declarant's discretion, CHEAS may be recorded, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the CHEAS was in effect at any particular time.

(b) Procedures. Unless the CHEAS provide otherwise, no activities within the scope of this Article IV shall commence on any property within Country Hills Estates until a written application is submitted to and approved by the Reviewer. The application must be accompanied by plans and specifications and such other information as the Reviewer or the CHEAS require. Plans and specifications shall show, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. Subject to Declarant's veto right, the Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to the procedures in Article XIII or judicial review so long as they are made in good faith and in accordance with required procedures.

The Reviewer shall make a determination on each application within forty-five (45) days after receipt of a completed application and all required information. The Reviewer may permit or require that an application be submitted or considered in stages, in which case, a "final" decision shall not be required until after the final, required submission stage. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

The Reviewer shall notify the applicant in writing of the final determination on any application within forty-five (45) days after its receipt of a completed application and all required submissions; however, with respect to any CHEARB determination subject to Declarant's veto right under Section 4.2(b), the Reviewer shall notify the applicant in writing of the final determination within sixty (60) days after its receipt of a completed application and all required submissions. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

If the Reviewer fails to respond in a timely manner, approval shall be deemed given. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the CHEAS unless a written variance has been granted pursuant to Section 4.5.

Notice shall be deemed given at the time the envelope containing the response is deposited with the U.S. Postal Service. Hand delivery, facsimile, electronic mail, or similar delivery of such written notice also shall be sufficient and shall be deemed given at the time of confirmed delivery to the applicant.

Construction shall commence within 24 months within an Owner's purchase of a Lot; provided, the Reviewer, as part of any approval, may require that construction commence within a different specified time period. If construction does not commence within the required time period, the approval shall expire, and the Owner shall be in violation of this Section and must reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within 15 months of commencement unless otherwise specified in the notice of approval or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not commenced or completed within the required time period, it shall be considered nonconforming and shall be subject to enforcement action by CHEHOA, Declarant, or any Owner. Prior to commencement, the Owner shall abide by all requirements of the CHEAS, including any pre-construction meetings and requirements that may be imposed pursuant to such standards.

(c) Appeals Process. After the Board appoints CHEARB, applicants may appeal disapprovals of applications to the Board. To request an appeal, the applicant must submit to the Board's Secretary a copy of the original application, the notification of the disapproval of the application, and a letter requesting an appeal no later than 15 days after the delivery of the notification of disapproval. The appeal request shall also contain a response to any specific concerns or reasons for disapproval, if any, listed in the notification of disapproval. The Board may (i) affirm CHEARB's decision, (ii) affirm a portion and overturn a portion of CHEARB's decision, or (iii) overturn CHEARB's decision. The Board shall notify the applicant and CHEARB in writing of its decision no later than 30 days after its receipt of the request for appeal with all required information. The Board's decision shall include a description of its reasons for overturning CHEARB's decision. During the appeal process, the Owner shall not commence any of the activities outlined in the application.

(d) Exemptions. The Reviewer may exempt certain activities from the application and approval requirements of this Article if such activities are undertaken in strict compliance with the CHEAS and the Community-Wide Standard. For example, Builders may subject and receive pre-approval of landscaping or other plans for general application. Such pre-approved plans shall not require resubmission prior to use on a particular Lot.

4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the people reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the

CHEAS, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed. In such cases, the Reviewer may elect not to require changes to objectionable features. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances.

The Reviewer may authorize variances from compliance with any of the CHEAS and any procedures when it determines that circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations justify such a variance, however, the Reviewer shall under no circumstances be obligated to grant variances. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. No variance may be issued without Declarant's written consent for so long as Declarant owns any portion of the Community or has the unilateral right to annex property described in Exhibit "B." Thereafter, a variance requires the Board's written consent.

4.6. Limitation of Liability.

(a) The standards and procedures established by this Article are intended as a mechanisms for maintaining and enhancing the overall aesthetics of Country Hills Estates; they do not create any duty to any Person. Review and approval of any application pursuant to this Article may be based purely on aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every Dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

(b) Declarant, CHEHOA, its officers, the Board, CHEARB, CHEHOA's management agent, any committee, and any member of any of the foregoing shall not be held liable for matters related to its decisions including, but not limited to, soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees or agents, whether or not Declarant has approved or featured such contractor as a Builder in the Community; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Board, CHEARB, and the members of each, and CHEHOA officers, shall be defended and indemnified by CHEHOA as provided in Section 7.7.

4.7. Certificate of Compliance.

Any Owner may request in writing that the Reviewer issue a certificate of compliance certifying that there are no known violations of this Article or the CHEAS with respect to the Owner's Lot. CHEHOA shall either grant or deny such written request within thirty (30) days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent CHEHOA from taking enforcement action against an Owner for any condition known to CHEHOA on the date of such certificate.

Article V Landscaping, Home Maintenance and Repair

5.1. Landscaping Requirements.

Prior to the commencement of construction, each Owner shall maintain the Lot in a neat and orderly manner in accordance with the Community-Wide Standards and the City of Sandy Springs, Georgia erosion control regulations. Landscaping shall be installed, as approved, in the front, rear, and side yards of a Lot within thirty (30) days after completion of construction of the Dwelling on the Lot or the issuance of a certificate of occupancy on the Lot, whichever is earlier. The Reviewer's decision as to the applicability of these landscape requirements to any particular portion of a Lot shall be final.

5.2. Maintenance of Lots.

Each Owner shall maintain his or her Lot, including the Dwelling and all other Improvements comprising the Lot, in a manner consistent with the Governing Documents, the Community-Wide Standard, and any other applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to CHEHOA.

Each Owner shall also be responsible for maintaining any sidewalk or landscaping located in the right-of-way adjacent to his or her Lot unless CHEHOA assumes all or part of such maintenance. However, Owners may not remove or add trees, shrubs, or similar vegetation from this area without prior approval pursuant to Article IV.

5.3. Responsibility for Repair and Replacement.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance includes responsibility for repair and replacement as necessary to maintain the property to a level consistent with the Community-Wide Standard.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Lot, less a reasonable deductible, unless CHEHOA carries such insurance (which they may, but are not obligated to do). If CHEHOA assumes responsibility for insuring a Lot, the insurance premiums shall be levied as a Benefited Assessment against the benefited Lot and the Owner.

Within ninety (90) days after any damage to or destruction of Improvements on a Lot, the Owner shall promptly repair or reconstruct such Improvements in a manner consistent with the original construction or such other plans and specifications approved in accordance with Article IV unless the Board, in its discretion, agrees to extend such period. Alternatively, the Owner shall clear the Lot of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs not covered by insurance proceeds.

5.4. Responsibility for Water Fees.

Declarant hereby provides notice that water service to the Community will be provided by the City of Atlanta, Georgia through a community-wide meter for the purpose of providing such service to the Community. Such system shall be a private water system to be owned and maintained by CHEHOA, as set forth and limited in Section 7.2(c). To provide water to the Lots, each Lot shall require the installation of an individual sub-meter connection for the provision of such service. Declarant hereby notifies each Owner, that at the closing of the purchase of his or her Lot, such Owner shall purchase such sub-meter from Declarant to allow each Lot to tie into the community water system and each Owner shall

be subject to a payment to Declarant for such sub-meter. The amount of the payment shall be established by Declarant, and may change from time to time.

COMMUNITY GOVERNANCE AND ADMINISTRATION

This Declaration establishes CHEHOA as the mechanism by which each Owner is able to participate in the governance and administration of Country Hills Estates. While many powers and responsibilities are vested in CHEHOA's Board of Directors in order to facilitate day-to-day management and operation, some decisions are considered of such importance that they are reserved for CHEHOA's membership -- the Owners.

Article VI CHEHOA and its Members

6.1. Function of CHEHOA.

CHEHOA is an entity through which each Owner can participate in the governance and administration of Country Hills Estates. While many powers and responsibilities are vested in the Board in order to facilitate day-to-day management and operation, the membership and voting rights vested in the Owners allow the Owners to participate in administration of the Community and influence the outcome of major decisions.

CHEHOA is responsible for management, maintenance, operation, and control of the Common Area. CHEHOA also has primary responsibility for enforcing the Governing Documents. CHEHOA shall perform its functions in accordance with the Governing Documents and Georgia law.

6.2. Membership.

Every Owner is automatically a Member of CHEHOA. There shall be only one membership per Lot. If a Lot is owned by more than one Owner, all co-Owners of the Lot shall share the privileges of the membership, subject to reasonable Board regulation and the voting restrictions described in the By-Laws. Co-Owners are jointly and severally obligated to perform the responsibilities of an Owner. If an Owner is a corporation, a partnership, or other legal entity, its membership rights may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a written instrument provided to CHEHOA's Secretary, except that only the individuals residing in the Lot shall be entitled to use any Common Area facilities available for use by Owners.

CHEHOA shall have two types of membership, Owners other than the Declarant and the Declarant. The Declarant shall be the sole Declarant Member, and such membership shall terminate two years after expiration of the Declarant Control Period, or on such earlier date as the Declarant determines and declares in a recorded instrument. The Declarant may, by Supplement, create additional classes of membership comprised of the Owners of Lots within any portion of the additional property submitted to this Declaration. The Declarant shall specify in any such Supplement, the rights, privileges, and obligations of the members of any class of membership created by that Supplement.

6.3. Voting.

(a) Members. Subject to the limitations on voting set forth in this Declaration and the other Governing Documents, Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Lot. The right to vote for a Lot commences at such time as the Lot is made subject to the Declaration; provided, no vote shall be exercised for any Lot which is exempt from assessment under Section 9.10. Further, no votes shall be exercised for Lots that Declarant owns; rather, Declarant's consent is required for various actions

of the Board, the membership, and committees, as specifically provided elsewhere in the Governing Documents.

(b) Exercise of Voting Rights. Each owner of a Lot shall exercise the vote for his or her Lot. In any situation in which there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners holding a majority of the ownership interest in the Lot determine among themselves. Any co-Owner may cast the vote for the Lot and majority agreement shall be conclusively presumed unless another co-Owner of the Lot protests promptly to the President or other person presiding over the meeting or the balloting, in the case of a vote taken outside of a meeting. In the absence of majority agreement, the Lot's vote shall be suspended if two or more co-Owners seek to exercise it independently.

Article VII CHEHOA Powers and Responsibilities

7.1. Acceptance and Control of CHEHOA Property.

(a) CHEHOA, through action of its Board, may acquire, hold, lease (as Lessor of Tenant), operate, and dispose of tangible and intangible personal property and real property. Contracts for terms in excess of one (1) year require a majority vote of the Membership.

(b) Declarant and its designees may transfer to CHEHOA, and CHEHOA shall accept, personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, described in Exhibit "A" or "B." Upon Declarant's written request, CHEHOA shall transfer back to Declarant any unimproved portions of the Common Area originally conveyed to CHEHOA for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

(c) CHEHOA shall be responsible for management, operation, and control of the Common Area, subject to any covenants, easements, or restrictions set forth in the deed or other instrument transferring the property to CHEHOA. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate. CHEHOA may enter into leases, licenses, or operating agreements with respect to portions of the Common Area, for payment or no payment, as the Board deems appropriate. CHEHOA may permit use of Common Area facilities by persons other than Owners and occupants of Lots and may charge use fees, in such amount as the Board may establish, for such use.

7.2. Maintenance of Area of Common Responsibility.

CHEHOA shall maintain the Area of Common Responsibility in accordance with the Community-Wide Standard. The Area of Common Responsibility includes, but is not limited to:

(a) all portions of the Common Area and all improvements and structures situated thereon, including any Community park; nature trails; the 25-foot undisturbed buffer adjacent to the perimeter of the community, as depicted on the Master Plan, and the landscaping contained therein; and sound walls or fences surrounding the Community or any portion thereof;

(b) private roadways within the Community, including, but not limited to any curbs and gutters, street lights, street signs and sidewalks adjacent to such roadways and any cul-de-sacs and any fountains or structures located within such cul-de-sacs, and those portions of the public right-of-way known as Greenland Road containing the cobblestone pavers and concrete apron improvements adjacent to the Community;

(c) the private water system within the Community, including, but not limited to, all water lines, fire hydrants, infrastructure and that certain backflow prevention device to be located with Greenland Road servicing the Community, provided ownership and control of such system shall not include any water lines, infrastructure or facilities located on a Lot or servicing a Dwelling within the Community;

(d) landscaping or improvements within public rights-of-way abutting Country Hills Estates to the extent that responsible government authorities do not maintain it to the Community-Wide Standard;

(e) stormwater detention system, including, but not limited to two above-ground detention ponds and the two below-ground detention pond and surrounding landscaping, as depicted on the Master Plan. CHEHOA shall also be responsible for proper functioning of the stormwater drainage system serving the Community, including maintenance, repair and replacement, as needed, of pipes, culverts, and other structures and equipment comprising the system. It shall have no responsibility for landscaping or other maintenance of Lots burdened by stormwater drainage easements, except for such underground storage system contained within Lot 2 as depicted on the Master Plan or unless otherwise specifically set forth in a Supplemental Declaration or in a recorded agreement or plat;

(f) gates limited to vehicular and pedestrian access to the Community and any related improvements; and

(g) such portions of any additional property as may be dictated by Declarant, this Declaration, any Supplemental Declaration, any Plat, or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, CHEHOA;

(h) those areas set aside or designed as Preserved Areas; and

(i) any property and facilities that Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of CHEHOA and its Members. Declarant shall identify any such property and facilities by written notice to CHEHOA, and they shall remain part of the Common Area until Declarant revokes such privilege of use and enjoyment by written notice to CHEHOA..

CHEHOA may maintain other property which it does not own, including, without limitation, Lots, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

CHEHOA shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

CHEHOA shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs, unless Members representing seventy-five 75% of the Member votes in CHEHOA, and the Declarant, if any, agree in writing to discontinue such operation. This Section shall not apply to restrict the Board's ability to establish reasonable operating hours, which may vary by season, nor to preclude temporary closures or interruptions in operation as the Board may determine appropriate to perform maintenance or repairs.

Except as provided above, the Common Area shall not be reduced except the Declarant's prior written approval as long as Declarant owns any property described in Exhibit "A" or "B" of this Declaration.

The costs associated with maintenance, repair, and replacement of the Common Area shall be a Common Expense; provided, CHEHOA may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Common Area pursuant to this Declaration, a Supplemental Declaration, or other Recorded covenants or agreements.

In recognition of the fact that interruptions in community systems and services will occur from time to time, the Declarant, Declarant Affiliates, CHEHOA or any of their respective successors or assigns shall not be liable for, and no community system or service user shall be entitled to, refund, rebate, discount or offset in applicable fees, for any interruption in community systems or services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

7.3. Insurance.

(a) Required Coverages. CHEHOA, acting through its Board or its duly authorized agent, shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as is reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within other portions of the Common Area to the extent that CHEHOA has responsibility for repair or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The limits of CHEHOA property insurance policies shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Common Area, insuring CHEHOA and its Members for damage or injury caused by the negligence of CHEHOA or any of its Members, employees, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. However, if additional coverage and higher limits are available at a reasonable cost that a reasonably prudent person would obtain, CHEHOA shall obtain such additional coverages or limits.

(iii) With respect to any contractors working on the premises or any third parties holding events on the premises, all such individuals shall be required to carry sufficient similar commercial general liability insurance with minimum limits of \$1,000,000.00 combined single limit per occurrence and \$1,000,000.00 general aggregate limit.

(iv) Workers' compensation insurance and employer's liability insurance, if and to the extent required by law.

(v) Earthquake, wind and flood damage coverage, if and to the extent required by law.

(vi) Automobile liability insurance for all CHEHOA owned, non-owned and hired vehicles with a minimum limit of \$500,000.00 combined single limit per accident; and

(vii) Directors and officers liability coverage; and

(viii) Commercial crime insurance, including fidelity insurance, covering all Persons, including Persons serving without compensation, responsible for handling CHEHOA funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

All of the coverage required herein shall be maintained with insurers rated B+ or better in the most current edition of Best's Insurance Reports.

Insurance obtained for CHEHOA is not meant to replace any individual's personal liability or property insurance and it is strongly suggested that each Member of CHEHOA carry their own personal coverage.

The Board, in the exercise of its business judgment, may obtain such additional insurance coverage and hither limits.

Certificates of insurance evidencing the minimum coverage required hereby by any parties described above (other than CHEHOA) shall be filed with CHEHOA at the time of execution of any agreement for services or events conducted on the premises and shall be maintained in a current status throughout the term of any such agreement. Such certificates of insurance shall require the insurer(s) to provide not less than thirty (30) days advance written notice to CHEHOA in the event of any cancellation, non-renewal or material (greater than twenty-five percent (25%) reduction) change in the policy limits, terms or conditions. Such third parties shall maintain all of their insurance and at the requested levels described above for not less than five (5) years following the expiration or termination of any Agreement with CHEHOA.

Premiums for insurance on the Common Area shall be Common Expenses, unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. CHEHOA shall arrange for an annual review prior to the adoption of the Budget of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Atlanta area. All CHEHOA policies shall provide for a certificate of insurance to be furnished to CHEHOA and, upon request, to each Member insured. Declarant reserves the right to provide insurance under Declarant's policy, provided that the cost to replace the insurance when such coverage terminates shall be disclosed to the Membership as a footnote to the Budget.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or tenants, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Benefited Assessment.

To the extent available at reasonable cost and terms, all CHEHOA insurance shall:

(i) be written with a company authorized and licensed to do business in Georgia;

(ii) be written in the name of CHEHOA as trustee for the benefited parties. All policies on the Common Areas shall be for the benefit of CHEHOA and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, their Mortgagees, or any occupants of a Lot;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a Member in CHEHOA;

(vii) provide a waiver of subrogation against any Owner or household member of an Owner; and

(viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of Owners, unless acting on CHEHOA's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand to CHEHOA and allowance of a reasonable time to cure the defect or violation.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners (as a class) as additional insureds and provide:

(i) a waiver of subrogation as to any claims against CHEHOA's directors, officers, employees, and manager;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement requiring at least 30 days' prior written notice to CHEHOA of any cancellation, substantial modification, or non-renewal;

(iv) a cross liability provision;

(v) a provision vesting in the Board exclusive authority to adjust losses. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss; and

(vi) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which CHEHOA is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least seventy-five 75% of the total Member votes in CHEHOA and the Declarant, during the Declarant Control Period, decide within sixty (60) days after the loss not to repair or

reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to CHEHOA within such 60-day period, then the period shall be extended until such funds or information are available. No Mortgagees shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by CHEHOA in a neat and attractive condition consistent with the Community-Wide Standard.

CHEHOA shall retain and place in a capital improvements account for the benefit of the Members any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the applicable insurance coverage premiums.

7.4. Compliance and Enforcement.

(a) Every Owner, occupant, and visitor to a Lot must comply with the Governing Documents and shall be subject to sanctions for violations as described in this Section 7.4. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants, tenants, guests, or invitees to their Lots, and for any damage to the Common Area that such Persons may cause.

CHEHOA, Declarant and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. In addition, the Board may impose sanctions for violation of the Governing Documents, including those sanctions listed below and any others described elsewhere in the Governing Documents.

The following sanctions require prior notice and an opportunity for a hearing in accordance with the By-Laws (provided only a single notice and hearing is required for continuing violations):

(i) imposing reasonable monetary fines, which shall constitute a lien upon the violator's Lot. Fines may be imposed within a graduated range. There is no limit on the aggregate amount of any fine for a continuing violation. In the event that any occupant, tenant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(ii) suspending an Owner's right to vote (except that no hearing is required if the Owner is more than ninety (90) days delinquent in paying any Base or Special Assessment);

(iii) suspending any Person's right to use Common Area facilities (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed CHEHOA); provided, nothing shall authorize the Board to impair an Owner's or occupant's access to his or her Lot;

(iv) suspending any services CHEHOA provides (except that no hearing is required if the Owner is more than sixty (60) days delinquent in paying any assessment or other charge owed to CHEHOA);

(v) exercising self-help or taking action to abate any violation of the Governing Documents occurring on a Lot in a non-emergency situation (including removing personal property that violates the Governing Documents);

(vi) levying Benefited Assessments to cover costs incurred by CHEHOA to bring a Lot into compliance with the Community-Wide Standard or other requirements under the Governing Documents;

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article IV, including the CHEAS, from continuing or performing any further activities in Country Hills Estates; and

(viii) recording a notice of violation with respect to any Lot on which a violation exists.

(b) In addition, the Board or its designees may take the following enforcement actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) exercising self-help or taking action to abate a violation on a Lot in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, towing vehicles that are in violation of parking rules and regulations);

(ii) exercising self-help or taking action to abate a violation on the Common Area under any circumstances; or

(iii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, CHEHOA may Record a notice of violation or perform such required maintenance and assess all costs incurred against the Lot and the Owner as a Benefited Assessment. Except in an emergency situation, CHEHOA shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if CHEHOA prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(c) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) CHEHOA's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending CHEHOA's resources; or

(iv) that it is not in CHEHOA's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of CHEHOA's right to enforce such provision at a later time or preclude CHEHOA from enforcing any other covenant, restriction, or rule.

CHEHOA, by contract or other agreement, may, but shall not be required to, enforce applicable city and county ordinances and Fulton County and/or City of Sandy Springs, Georgia may enforce their ordinances within Country Hills Estates.

(d) In computing the number of days for purposes of any provision of this Declaration or any of the other Recorded documents, all days shall be counted including Saturdays, Sundays, and holidays; provided however, that if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or legal holiday.

7.5. Enforcement of CHEAS.

(a) Any construction, alteration, or other work performed in violation of the CHEAS shall be deemed to be nonconforming. Upon written request from CHEHOA or Declarant, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure the nonconformance to the satisfaction of the requester or restore the Lot and/or Dwelling to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, CHEHOA, Declarant, or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the rate established by the Board (not to exceed the maximum rate then allowed by law), may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

(b) All design approvals shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work by the deadline set forth in the approval, Declarant or CHEHOA may, after notifying the Owner of the Lot and giving an opportunity to be heard in accordance with the By-Laws, enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment.

(c) All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the CHEAS may be excluded from the Community, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither Declarant nor CHEHOA, or their officers and directors, shall be held liable to any Person for exercising the rights granted by this Paragraph.

(d) CHEHOA shall be primarily responsible for enforcement of the CHEAS. If, however, in the discretion of Declarant, CHEHOA fails to take appropriate enforcement action, as authorized herein, within a reasonable time period, Declarant, for so long as it owns any property described in Exhibit "A" or "B" to this Declaration, may, but shall not be obligated to, exercise enforcement rights in the same manner as set forth above. In addition to the foregoing, CHEHOA and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of the CHEAS and the Reviewer's decisions. If CHEHOA or Declarant prevails, they shall be entitled to recover all costs including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

7.6. Implied Rights; Board Authority.

CHEHOA may exercise any right or privilege given to it expressly, or by reasonable implication, by the Governing Documents, or take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, the Board may exercise CHEHOA's rights and powers without a vote of the membership.

The Board may institute, defend, settle, or intervene on CHEHOA's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Area, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute any legal or other action or proceeding on behalf of or in the name of CHEHOA or the Members.

In exercising CHEHOA's rights and powers, making decisions on behalf of CHEHOA, and conducting CHEHOA's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the By-Laws.

7.7. Indemnification of Officers, Directors, and Others.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of CHEHOA (except to the extent that such officers or directors may also be Members of CHEHOA).

Subject to Georgia law, CHEHOA shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which the indemnitee's personal liability is limited under this Section.

This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. CHEHOA shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.8. Safety and Security.

Each Owner and occupant of a Lot, and their respective guests and invitees, is responsible for their own personal safety and the security of their property in Country Hills Estates. CHEHOA may, but shall not be obligated to, maintain or support certain activities within the Community designed to enhance

the level of safety or security which each person provides for himself or herself and his or her property. Neither CHEHOA nor Declarant shall in any way be considered insurers or guarantors of safety or security within the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants of its Lot that CHEHOA, its Board and committees, and Declarant are not insurers or guarantors of security or safety and that each Person within Country Hills Estates assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

7.9. Gates and Entry Features.

Gates and/or entry features may be constructed within or adjacent to Country Hills Estates in order to limit access and to provide more privacy for the Owners and Occupants. Each Owner and Occupant, and their families, guests and invitees, acknowledge that any such gate or entry feature may restrict or delay entry into, or access within Country Hills Estates by police, fire department, ambulances and other emergency vehicles or personnel. Each Owner and Occupant and their families, guests and invitees agree to assume the risk that any such gate or entry feature will restrict or delay entry into, or access within Country Hills Estates by police, fire department, ambulances or other emergency vehicles or personnel. Neither Declarant, CHEHOA nor any director, officer, agent or employee of Declarant of CHEHOA shall be liable to any Owner or Occupant or their families, guests or invitees for any claims or damages resulting directly or indirectly, from the construction, existence or maintenance of any such gate or entry feature.

If any gate and/or entry features are constructed within Country Hills Estates, the Declarant makes no representations or warranties that a guard service will be provided or, if guard service is provided, that it will be provided during any particular hours or be continued in the future. Nothing contained in this Declaration and nothing that may be represented to a purchaser by real estate brokers or salesmen representing Declarant or any Developer shall be deemed to create any covenants or restrictions, implied or express, with respect to the use of any property subject to this Declaration or any part of the Additional Property.

7.10. Provision of Services.

CHEHOA may provide, or provide for, services and facilities for all or any of the Members and their Lots, and may enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities, or may include the costs in CHEHOA's budget as a Common Expense and assess it as part of the Base Assessment, if provided to all Lots. If provided to less than all Lots, CHEHOA may assess such costs as a Benefited Assessment, as applicable. Such services and facilities to the extent not covered by the Base Assessment might include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities, trash collection and recycling, and similar services and facilities.

Nothing in this Section shall be construed as a representation by Declarant or CHEHOA as to what, if any, services shall be provided. In addition, the Board may modify or cancel existing contracts for services in its discretion, unless the services are otherwise required by the Governing Documents.

Non-use of services provided to all Owners or Lots as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services.

7.11. Relationship with Other Properties.

CHEHOA may enter into contractual agreements or covenants to share costs with any neighboring properties to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance..

7.12. View Impairment.

Neither Declarant nor CHEHOA guarantee or represent that any view over and across the Lots, or any open space within the Community will be preserved without impairment, and neither shall be obligated to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement. CHEHOA and the Declarant (with respect to the Common Area) have the right to add trees, walls, fences, berms, homes or other structures, signs, lighting, water features and other landscaping from time to time subject to applicable law. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

Notwithstanding the above, the CHEAS or CHEHOA's rules may impose requirements restricting the location of modifications to existing Improvements designed to preserve views.

7.13. Relationship with Governmental and Tax-Exempt Organizations.

CHEHOA may enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to, state or local governments, public utility providers, and non-profit, tax-exempt organizations for the benefit of the Community, CHEHOA, and the Members. CHEHOA may contribute or receive money, real property (including Common Area), personal property, or services to or from any such entity. Any such contribution shall be a Common Revenue or Expense and included as a line item in CHEHOA's annual budget.

For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

Article VIII CHEHOA Finances

8.1. Budgeting and Allocating Common Expenses.

Declarant shall establish the initial Base Assessments by calculating the amount needed to meet the financial needs of CHEHOA for the Fiscal Year and dividing by the number of lots platted (other than Declarant's lots) as of the first day of the Fiscal Year. Declarant shall not be responsible for paying assessments on lots owned by Declarant, but shall instead pay Declarant's obligation pursuant to Section 8.6(b).

In determining the Base Assessment, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall make the final budget available and shall send notice of the amount of the Base Assessment with a summary of the budget to each Owner at least thirty (30) days prior to the beginning of the Fiscal Year. Except as required for the exercise of approval rights under Section 8.8, the budget shall not be subject to Owner approval and there shall be no obligation to call a meeting for the purpose of considering the budget.

If any proposed budget is disapproved under Section 8.8, or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to Section 8.8 and the notice requirements set forth above.

8.2. Budgeting for Reserves.

The Board within six (6) months following initial conveyance of the Common Areas shall obtain a Reserve Study. Reserve budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall, in the exercise of its business judgment establish a plan to fund reserves at a level projected to achieve 40-60% funding by the end of the Declarant Control Period. Thereafter, the Board shall review the Reserve Budget annually and when additional common areas are conveyed. Amounts to be funded as reserves shall be reflected in the Common Expense Budget.

The Board shall adopt a policy restricting the expenditure of any reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Such policies may differ for general CHEHOA purposes. During the Declarant Control Period, neither CHEHOA nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent.

The Board may enter into agreements with Declarant regarding the time and extent of Declarant contributions, on negotiated terms, under which Declarant may provide financial assurances in lieu of cash.

8.3. Special Assessments.

In addition to other authorized assessments, CHEHOA may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the Lot. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members representing at least two-thirds (2/3) of the total votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of the Declarant, if any. Special Assessment shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Benefited Assessments.

CHEHOA shall have the power to levy Benefited Assessments against a particular Lot as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Lots upon request of an Owner pursuant to any menu of special services which CHEHOA may offer (which might include the items identified in Section 7.10) or which CHEHOA may otherwise provide to less than all Owners under the Declaration or any Supplemental Declaration. Benefited Assessments for special services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Benefited Assessment under this subsection (b); or

(c) to cover each Owner's individual costs associated with CHEHOA's provision of water service to the Community.

8.5. Commencement of Assessment Obligation; Time of Payment.

The obligation to pay assessments shall commence as to each Lot on the date of conveyance of title to Owner other than Declarant; provided, the Declarant may waive such requirement or set forth an alternative date for commencement of assessments in the purchase agreement for such Lot. The first annual Base Assessment levied on each Lot shall be pro-rated for the time remaining in the fiscal year.

Advance payment of Assessments shall be required for the applicable payment period at closing of the transfer of title to a Lot. The Board may impose special requirements for Owners with a history of delinquent payment. The Board shall establish if assessments are to be paid annually, semi-annually or in quarterly or monthly installments. Until the Board otherwise provides, the annual Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.6. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded Agreement of Sale for any Lot, covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 18% per annum or such higher rate as the Board may establish, subject to the limitations of Georgia law, late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to establish or obtain Member approval, if required, of assessment amounts or rates or failure to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last Fiscal Year for which an assessment was made, if any, until a new assessment is levied, at which time CHEHOA may retroactively assess any shortfalls in collections.

No Owner is exempt from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant for which each Owner is jointly and severally liable. No diminution or abatement of

assessments or set-off shall be claimed or allowed for any alleged failure of CHEHOA or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request from an Owner, Mortgagee or other person designated by the Owner, CHEHOA shall furnish to any Owner, Mortgagee or other person designated by the Owner liable for any type of assessment a certificate in writing signed by an CHEHOA officer setting forth the amount of any unpaid assessment against such Owner's Lot. Such certificate shall be conclusive evidence of payment. CHEHOA may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Obligation.

(i) Payment of the "Subsidy". During the Declarant Control Period, Declarant shall not be obligated to pay assessments on its unsold Lots but, instead, shall be obligated to pay the subsidy based on the "shortage" (*i.e.*, operating deficit) for each fiscal year. A "shortage" shall exist if Income and Revenues (as defined below) for a particular fiscal year are less than Expenditures (as defined below) incurred for the same fiscal year. Income and Revenues and Expenditures are to be calculated using the accrual basis of accounting.

(A) Income and Revenues are: the amount of all income and revenue of any kind earned by CHEHOA during the subject fiscal year, including, but not limited to, assessments, use fees, and cash advances (if any) provided by Declarant. For purposes of this Section, assessments for each Lot are deemed earned on the annual anniversary date of the commencement of assessments with respect to such Lot.

(B) Expenditures are: the amount of all actual operating expenses incurred, or obligated for, by CHEHOA during the subject fiscal year, including without limitation, any budgeted or approved non-budgeted capital assets acquired during the fiscal year. Expenditures shall **not** include (1) all non-cash expenses such as depreciation or amortization, (2) expenditures for or purchase of non-budgeted, non-approved items, and (3) all expenditures made from reserve funds. For purposes of this paragraph, "approved" shall mean prior written approval of Declarant.

(C) Any surplus shall be utilized as a funding source for operating expenses for next fiscal year and not for Reserves.

(ii) Option to Pay "Shortage". Following expiration or termination of the Declarant Control Period, Declarant may annually elect either to pay the assessments described in subsection (i) above on each of those Lots owned by Declarant or to pay the shortage for such fiscal year. If Declarant elects to pay assessments on each Lot and, after such payment, a shortage exists, Declarant may, but shall not be obligated to, pay such shortage. Unless Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year.

(iii) Subsidies/"In Kind" Contribution. CHEHOA is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with Declarant or other entities for payment of Common Expenses. Declarant's payment of assessments may be reduced or abated by the agreed value of any such services or materials provided by Declarant, in accordance with any such contract or agreement with CHEHOA.

(iv) Disclosure and Payment of Subsidy. Any such subsidy for Base Assessments shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between CHEHOA and Declarant.

8.7. Lien for Assessments.

CHEHOA shall have a lien against each Lot, to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Georgia law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

Although no further action is required to create or perfect the lien, CHEHOA may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot the amount of the delinquent sums due CHEHOA at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of CHEHOA to execute and record any such document shall not affect the validity, enforceability, or priority of the lien.

At a foreclosure sale, CHEHOA may bid for the Lot and acquire, hold, lease, mortgage, and convey the Lot. CHEHOA may sue for unpaid assessments and other charges without foreclosing or waiving its assessment lien.

Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure by the first Mortgagee extinguishes the lien relating to any amounts due prior to the Mortgagee's foreclosure. The purchaser of a foreclosed Lot shall not be personally liable for assessments on such Lot due prior to the foreclosure sale. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.6, including such purchaser, its successors and assigns.

Notwithstanding the above, if a Lot is owned by CHEHOA: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by CHEHOA.

8.8. Limitation on Increases of Assessments.

Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations, the Board may not impose a Base Assessment that is more than 110% greater than such assessments for the immediately preceding fiscal year without the approval of a majority of the Members subject to the applicable assessment. Approval may be indicated by vote or written consent.

An emergency situation is any one of the following:

- (a) an extraordinary expense required by an order of a court;
- (b) an extraordinary expense necessary to repair or maintain any portion of the Community for which CHEHOA is responsible where a threat to personal safety is discovered; or

(c) an extraordinary expense necessary to repair or maintain any portion of the Community for which CHEHOA is responsible which could not reasonably have been foreseen by the Board in preparing and distributing the pro forma budget pursuant to Section 8.1. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Notice of such resolution shall be provided to the Members along with the notice of such assessment.

8.9. Exempt Property.

The following property shall be exempt from payment of Base Assessments and Special Assessments:

- (a) All Common Area and other portions of the Community which are not Lots; and
- (b) Any property dedicated to and accepted by any governmental authority or public utility.

Declarant shall have the right, but not the obligation to grant exemptions from payment to Builders during the construction and sale of its Dwellings within the Community. In addition, both Declarant and CHEHOA shall have the right, but not the obligation, to grant exemptions to Persons qualifying for tax exempt status under Section 501 (c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

8.10. Capitalization of CHEHOA.

Upon acquisition of record title to a Lot by the first Owner thereof other than Declarant, a contribution in the amount of \$3000.00 shall be made by or on behalf of the purchaser to the working capital of CHEHOA. This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to CHEHOA for use in covering operating expenses and other expenses incurred by CHEHOA pursuant to this Declaration and the By-Laws.

COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the Developer in order to facilitate the smooth and orderly development of Country Hills Estates and to accommodate changes in the master plan which inevitably occur as a community the size of Country Hills Estates grows and matures.

Article IX Expansion of the Community

9.1. Expansion by Declarant.

Declarant may, from time to time, subject to this Declaration all or any portion of the property described in Exhibit "B" ("Annexable Property") by Recording a Supplemental Declaration describing the property being subjected. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to annex property pursuant to this Section expires when all property described in Exhibit "B" has been subjected to this Declaration or twenty (20) years after this Declaration is Recorded, whichever is later. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be memorialized in a Recorded instrument executed by Declarant.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

9.2. Expansion by CHEHOA.

CHEHOA also may submit additional property to the provisions of this Declaration by Recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of more than 50% of the Members in person or by proxy at a meeting duly called for such purpose, and the consent of the property owner. In addition, so long as Declarant owns any property described on Exhibit "A" or "B," Declarant's consent is required. The Supplemental Declaration shall be signed by the President and Secretary of CHEHOA, by the owner of the property, and by Declarant, if Declarant's consent is required.

9.3. Additional Covenants and Easements.

Any Supplemental Declaration, that Declarant Records may impose additional covenants and easements on the property described in such Supplemental Declaration, including covenants obligating CHEHOA to maintain and insure such property and authorizing CHEHOA to recover its costs through assessments. Such provisions may be included in a Supplement submitting new property to this Declaration or may be set forth in a separate Supplement applicable to property previously submitting to this Declaration. If someone other than Declarant owns the property, then the Owner's consent and execution of the Supplemental Declaration is required. Any such Supplemental Declaration may add to, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Effect of Filing Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording, unless otherwise specified. On the effective date of the Supplemental Declaration, the Lots are thereby subjected to the Declaration and the jurisdiction of CHEHOA and shall have equal voting rights in CHEHOA and equal pro rata liability for Base Assessments with all other Lots.

Article X Additional Rights Reserved to Declarant

10.1. Withdrawal of Property.

So long as it has a right to annex property pursuant to Section 9.1, Declarant reserves the right to amend this Declaration to remove any unimproved portion of Country Hills Estates from the coverage of this Declaration, provided such withdrawal does not reduce the total number of Lots then subject to the Declaration by more than 10%. "Unimproved" means that no permanent structure has yet been built on the property. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is Common Area, CHEHOA shall consent to such withdrawal and shall reconvey to Declarant any withdrawn property owned by CHEHOA.

10.2. Marketing and Sales Activities.

Notwithstanding any provision in this Declaration, including Exhibit "C," to the contrary, Declarant and Builders may construct, use, and maintain upon portions of the Common Area and other property owned by Declarant or the Builder such facilities and activities, as, in Declarant's opinion, may reasonably be required, convenient, or incidental to the construction or sale of Lots. Such permitted

facilities and activities shall include, without limitation, business offices, signs, flags (whether hung from flag poles or attached to a structure), model Dwellings, sales offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient or incidental to construction or sales activities, Declarant and Builders may park vehicles in areas other than garages or driveways, including on streets. Declarant and Builders shall have easements for access to and use of such facilities at no charge. Builder's rights under this Section 10.2 are subject to Declarant's approval.

10.3. Right to Develop.

Declarant and Declarant's-Affiliates and their employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area, and to the Exhibit "B" property, as it deems appropriate in its sole discretion.

Each Owner acknowledges that Country Hills Estates is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to (a) changes in uses or density of property, or (b) changes in the Master Plan.

Nothing contained in this Declaration or in any Supplemental Declaration shall be construed to prevent the construction, installation or maintenance by the Declarant, any Declarant Affiliate or any agents or contractors thereof, during the period of development, construction and sales on the Property, of Improvements, landscaping or signs deemed necessary or convenient by the Declarant, in its sole discretion, to the development or sale of property within the Property.

10.4. Right to Designate Sites for Governmental and Public Interests.

For so long as Declarant owns any property described in Exhibit "A" or "B," Declarant may designate sites within the Community for government, education, or religious activities or displays and interests, including without limitation, fire, police and utility facilities, schools and educational facilities, houses of worship, parks, commercial and other public facilities subject to receiving all necessary governmental approvals. The sites may include Common Area, in which case CHEHOA shall take whatever action is required with respect to such site to permit such use, including dedication or conveyance of the site, if so directed by Declarant.

10.5. Right to Approve Additional Covenants.

No Person shall record any additional covenants, conditions or restrictions affecting any portion of Country Hills Estates without Declarant's review and written consent. Any instrument Recorded without such consent shall be void and of no force and effect unless subsequently approved by written consent, signed by Declarant, and Recorded.

10.6. Right to Approve Changes in Country Hills Estates Standards.

No amendment to or modification of any Use Restrictions, rules, or the CHEAS shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.7. Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an

obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a Recorded instrument signed by Declarant. Declarant may allow other Persons to exercise, on a one time or limited basis, any Declarant right without transferring such right in its entirety. In such case, a Recorded instrument is not required.

10.8. Exclusive Rights to Use Name of Development.

No Person shall use the name "Country Hills Estates" or any derivative of such name in any printed or promotional material, or in logo or depiction, without Declarant's prior written consent. However, Owners may use the name "Country Hills Estates" where such term is used solely to specify that particular property is located within Country Hills Estates and the Declarant may offer to CHEHOA a license to use the words "Country Hills Estates" in its name.

10.9. Equal Treatment.

So long as Declarant owns any property described in Exhibit "A" or "B", neither CHEHOA nor any other entity shall, without the prior written consent of Declarant, adopt any policy, rule or procedure that:

(a) limits the access of Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Common Areas of CHEHOA or to any property owned by any of them;

(b) limits or prevents Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing, or using CHEHOA or its Common Areas or any property owned by any of them in promotional materials;

(c) limits or prevents purchasers of new residential housing constructed by Declarant, its successors, assigns and/or affiliates in the Community from becoming members of CHEHOA or enjoying full use of its Common Areas, including purchasers qualifying under Section 10.16 subject to the membership provisions of this Declaration and the By-Laws;

(d) discriminates against or singles out any group of Members or prospective Members or Declarant [this provision shall expressly prohibit the establishment of a fee structure (*i.e.*, assessments, Special Assessments and other mandatory fees or charges other than Benefited Assessments) that discriminates against or singles out any group of Members or Declarant, but shall not prohibit the establishment of Benefited Assessments];

(e) impacts the ability of Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Country Hills Estates, as such plans are expressed in the Master Plan, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete Country Hills Estates shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

(f) impacts the ability of Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

Neither CHEHOA nor any other entity shall exercise its authority over the Common Areas (including, but not limited to, any gated entrances and other means of access to the Community or the

Exhibit "B" property) to interfere with the rights of Declarant set forth in this Declaration or to impede access to any portion of the Community or the Exhibit "B" property over the streets and other Common Areas within the Community. CHEHOA shall not condone, encourage its members or participate in public assembly for the purpose of interfering with Declarant's business within the Community or engage in any activity that presents a public health or safety risk.

10.10. Right to Use Common Area for Special Events.

As long as Declarant owns any property described in Exhibit "A" or "B," Declarant shall have the right to use all Common Area, including recreational facilities, to sponsor special events for charitable, philanthropic, and social purposes as determined by Declarant in its sole discretion. Any such event shall be subject to the following conditions:

(a) the availability of the facilities for the period of time requested of CHEHOA by the Declarant, provided that the request is not submitted more than six (6) months prior the actual special event.

(b) Declarant shall pay all costs and expenses incurred and shall indemnify CHEHOA against any loss or damage resulting from the special event (as per the insurance requirements for such events set forth herein) other than customary use charges that shall be waived; and

(c) Declarant shall return the facilities and personal property owned by CHEHOA and used in conjunction with the special event to CHEHOA in the same condition as existed prior to the special events.

Declarant shall have the right to assign its rights contained in this Section 10.10 to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Area for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

10.11. Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of Country Hills Estates including Lots, and a perpetual nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a Dwelling or other structure on a Lot shall be permitted without the consent of the Owner. The Person exercising this easement shall promptly repair, and pay for, any resulting damage.

10.12. Right to Notice of Design or Construction Claims.

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within Country Hills Estates in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any Builder involved in the design or construction have been first notified in writing ten (10) days prior to the inspection and given an opportunity to meet with the property Owner and conduct an independent inspection.

10.13. Termination of Rights.

The rights contained in this Article shall terminate upon the earlier of (a) thirty (30) years from the date this Declaration is recorded, or (b) Declarant's recording of a written statement that all sales activity has ceased. Thereafter, Declarant may continue to use the Common Areas for the purposes stated in this Article only pursuant to a rental or lease agreement between Declarant and CHEHOA which provides for rental payments based on the fair market rental value of any such portion of the Common Areas. This Article XII shall not be amended without Declarant's written consent so long as Declarant owns any property described in Exhibit "A" or "B."

PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, CHEHOA, and others within or adjacent to the Community.

Article XI Easements

11.1. Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to CHEHOA;
- (c) The Board's right to:
 - (i) adopt rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner to use any Common Area amenity (A) for any period during which any assessment or other charge against the Owner's Lot remains delinquent, and (b) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to any approval requirements set forth in this Declaration;
 - (iv) mortgage, pledge, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred;
- (d) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Limited Common Areas," as described in Article XVI; and
- (e) CHEHOA's right to close or limit the use of the Common Areas, or portions thereof, while maintaining and repairing the same.

An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the Tenant of such Lot for the period of the lease.

11.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement, or settling, or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, so long as Declarant owns any property described in Exhibit "A" or "B," perpetual non-exclusive easements throughout Country Hills Estates (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve Country Hills Estates, cable and other systems for sending and receiving data and/or other electronic signals, drainage systems, and security and similar systems;

(ii) installing walkways, pathways and trails, street lights, and signage on property which Declarant or CHEHOA owns or within public rights-of-way or easements reserved for such purpose on a Plat;

(iii) inspecting, maintaining, repairing, and replacing the utilities, infrastructure, and other improvements described above; and

(iv) reading utility meters on each Lot.

Notwithstanding the above, Declarant reserves the right to grant or deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Utility Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such utility easements as may be necessary, in Declarant's sole discretion, in connection with the orderly development of any property described in Exhibit "A" and "B." The location of the easement shall be subject to the written approval of the burdened Property Owner, which approval shall not unreasonably be withheld, delayed or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

11.4. Easements to Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

Declarant agrees that it and its successors or assigns, respectively, shall be responsible for any damage caused to the Common Area as a result of their actions. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with CHEHOA to share the cost of any maintenance which CHEHOA provides to or along any roadway providing access to such property.

11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to CHEHOA easements over Country Hills Estates as necessary to enable CHEHOA to fulfill its maintenance responsibilities under Section 7.2. CHEHOA shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents to abate a Governing document violation and/or to remove any structure, thing or condition which violates the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

Any costs incurred, including reasonable attorneys' fees, shall be assessed against the Lot Owner as a Benefited Assessment.

11.6. Easements for Cross-Drainage.

Every Lot and the Common Area shall be burdened with easements for natural drainage of stormwater runoff from other portions of the Community; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of stormwater onto adjacent portions of the Community without the consent of the Owner(s) of the affected property, the Board, and Declarant as long as it owns any property described in Exhibit "A" or "B" to the Declaration.

11.7. Rights to Stormwater Runoff, Effluent and Water Reclamation and Minerals.

Declarant hereby reserves for itself and its designees all rights to ground water, surface water, stormwater runoff, and effluent located or produced within the Community, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the community for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. Declarant further reserves for itself and its designees all rights to any oil, natural gas, minerals and other natural resources located within the Community, and each Owner agrees by acceptance of a deed to a Lot, that Declarant shall retain all such rights. This Section may not be amended without the consent of Declarant and the rights created in this Section shall survive termination of this Declaration.

11.8. Easements for Pond Maintenance and Flood Water.

Declarant, for itself and CHEHOA, and their respective successors, assigns, and designees, reserves the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and drainage areas located within the Area of Common Responsibility to (a) install, operate, maintain and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. The Declarant, CHEHOA and their respective successors, assigns and designees shall have an access easement over and across any of the Community abutting or containing bodies of water or drainage areas to the extent reasonably necessary to exercise their rights under this Section.

The Declarant further reserves for itself, CHEHOA and their respective successors, assigns and designees, a perpetual nonexclusive right and easement of access and encroachment over the Common Area and Lots (but not the Dwelling thereon) adjacent to or within 100 feet of bodies of water and drainage areas within the Community, to (a) temporarily flood and back water upon and maintain water upon such portion of the Community; (b) alter in any manner and generally maintain the bodies of water and drainage areas within the Area of Common Responsibility; and (c) maintain and landscape the slopes and banks pertaining to such areas. The Declarant's and any successor's, assign's or designee's right to maintain a drainage area may be limited by state or federal environmental laws governing work in watercourses, including but not limited to the Clean Water Act, 33 U.S.C. Sec. 1344 and local floodplain ordinances. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make the Declarant or any other person liable for damage resulting from flooding due to weather events or other natural occurrences.

Article XII Party Walls and Other Shared Structures

Except as may otherwise be provided by law, a written agreement between Owners of adjacent Lots, or other recorded documents applicable to adjacent Lots:

(a) Each wall, fence, driveway, or similar structure built as part of the original construction on the Lots which serves and/or separates any two adjoining Lots or a Lot and Common Areas shall constitute a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who own property benefited by the party structure.

(b) If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(c) The right to and obligation of contribution for party walls and similar structures between Owners, as provided in this Section, shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(d) To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to any party structure. Any dispute arising concerning a party structure shall be subject to the provisions of Article XVI.

RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of Country Hills Estates as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protection of the rights of others who have an interest in the community.

Article XIII Dispute Resolution and Limitation on Litigation

13.1. Agreement to Encourage Resolution of Disputes Without Litigation.

(a) From time to time, disputes may arise between Owners, or between an Owner and CHEHOA, Declarant, or others involved in the Community. This Article commits the parties to any such dispute to work together in an attempt to resolve the dispute without litigation, in order to facilitate the prompt resolution of such disputes in a manner that respects and builds upon the relationships between the parties. It also requires substantial support of CHEHOA's membership before CHEHOA can engage in certain types of litigation that could result in significant legal and emotional costs to the Community.

Declarant, CHEHOA and its officers, directors and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving Country Hills Estates without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 13.2 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relation to

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations and duties of any Bound Party under the Governing Documents; or

(iii) the design or construction of improvements within the Community, other than matters of aesthetic judgment under Article IV, which shall not be subject to review and shall not be subject to this Article;

(c) The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 13.2:

(i) any suit by CHEHOA to collect assessments or other amounts due from any Owner;

(ii) any suit by CHEHOA to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve CHEHOA's ability to enforce the provisions of Part Two of this Declaration (relating to creation and maintenance of community standards);

(iii) any suit that does not include Declarant or CHEHOA as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iv) any dispute which affects the material rights or obligations of a party who is not a Bound Party and has not agreed to submit to the procedures set forth in section 13.2; and

(v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 13.2(a), unless the party or parties against whom the Claim is made agree to toll or extend the Claim's statute of limitations to comply with this Article.

13.2. Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent and to the board stating plainly and concisely:

(i) the nature of the claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the Bound Parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other agreed upon period), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by CHEHOA (if CHEHOA is not a party to the Claim) or to an independent agency providing dispute resolution services in the metropolitan Atlanta area. Each Bound Party shall submit to the mediator a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Bound Parties do not settle the Claim within thirty (30) days after submitting the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Bound Parties. If any Bound Party thereafter fails to abide by the terms of such agreement, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the Bound Party taking action to enforce the agreement shall, upon prevailing, be entitled to recover from the non-complying Bound Party (or each one in equal proportions) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

13.3. Initiation of Litigation by CHEHOA.

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, CHEHOA shall not initiate any judicial or administrative proceeding against the Declarant or anyone else unless first approved by a vote of Members entitled to cast seventy-five percent (75%) of the total Member votes in CHEHOA, except that no such approval shall be required for actions or proceedings:

- (a) initiated during the Declarant Control Period;
- (b) initiated to enforce the provisions of this Declaration, including collection of assessments, and foreclosure of liens ;
- (c) initiated to challenge *ad valorem* taxation or condemnation proceedings;
- (d) initiated against any contractor (exclusive of the Declarant), vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (e) to defend claims filed against CHEHOA or to assert counterclaims in proceedings instituted against it;

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

In the matters listed above, the Directors of CHEHOA shall be indemnified for their decisions pursuant to Section 7.7.

Article XIV Mortgage Provisions

14.1. Notices of Actions.

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Lots. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

The provisions of this Article XVIII are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in Country Hills Estates

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to CHEHOA (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of Country Hills Estates or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the governing Documents relating to such lot or the Owner or occupant which is not cured within 60 days;

(c) Any lapse, cancellation or material modification of any CHEHOA insurance policy; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders;

14.2. No Priority.

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.3. Notice to CHEHOA.

Upon request, each Owner shall be obligated to furnish to CHEHOA the name and address of the holder of any Mortgage encumbering such Owner's Lot.

14.4. Failure of Mortgagee to Respond.

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if CHEHOA does not receive a written response from the Mortgagee within thirty (30) days of the date of CHEHOA's request, providing such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

CHANGES IN THE COMMUNITY

Communities such as Country Hills Estates are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. Country Hills Estates and its Governing Documents must be able to adapt to these changes while protecting the things that make Country Hills Estates unique.

Article XV Changes in Ownership of Lots

Any Owner, other than Declarant, desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least fourteen (14) days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. Upon completion of the transfer, the Owner shall pay the fee as described in Section 8.10. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Lot Owner, including assessment obligations, until the date upon which the Board, notwithstanding the transfer of title, receives such notice.

Article XVI Changes in Common Area**16.1. Condemnation.**

If any part of the Common Area is by taken by any authority having the power of condemnation or eminent domain, or conveyed by CHEHOA in lieu of and under threat of condemnation with such approval as may be required herein, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. The board may convey Common Area under threat of condemnation only if approved in writing by at least sixty-seven 67% of the Members in CHEHOA and Declarant, as long as Declarant owns any property described in Exhibit "A" or "B."

The award made for such taking shall be payable to CHEHOA as trustee for all Owners to be disbursed as follows:

If the taking involves a Common Area on which Improvements have been constructed, CHEHOA shall restore or replace such Improvements on the remaining land included in the Common Area to the extent practicable, unless, within sixty (60) days after such taking, Declarant, so long as Declarant owns any property described in Exhibit "A" or "B" of this Declaration, and at least sixty-seven 67% of the total Members in CHEHOA shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3 regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any Improvements on the Common Area, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to CHEHOA and used for such purposes as the Board shall determine.

16.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided and no Person shall bring any action for partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Declaration.

16.3. Transfer or Dedication of Common Area.

CHEHOA may dedicate portions of the Common Area to the City of Sandy Springs, Georgia, or to any other local, state or federal governmental or quasi-governmental entity.

16.4. Assignment and Reassignment of Limited Common Area.

The Board may designate a portion of the Common Area as Limited Common Area, and may reassign Limited Common Area, upon approval of the Board and the vote of a majority of the members of CHEHOA, including a majority of the total votes attributable to Lots to which the Limited Common Area is property to be assigned or reassigned. As long as the Declarant owns any property subject to this Declaration, any such assignment or reassignment shall also require Declarant's written consent. Upon approval of a majority of Owners of Lots to which any Limited Common Areas is assigned, CHEHOA may permit Owners of other Lots to use all or a portion of such Limited Common Area.

Article XVII Amendment of Declaration

17.1. By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, until termination of the Declarant Control Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on the Lots; (d) to correct clerical or technical errors; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner consents in writing.

So long as Declarant owns property described on Exhibit "A" or "B" for development as part of Country Hills Estates, it may unilaterally amend this Declaration for any other purpose, provided, the amendment has no materially adverse effect upon the rights of more than 2% of the Owners.

17.2. By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total votes in CHEHOA, including 75% of the Member votes held by Members other than Declarant. In addition, so long as Declarant owns any property described on Exhibit "A" or "B," any such amendment shall also require Declarant's consent.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

17.3. Validity and Effective Date.

No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall only become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

17.4. Exhibits.

Exhibit "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article. Exhibit "C" is incorporated by reference and may be amended as provided in Article III or pursuant to Article XVII. Exhibit "D" is attached for informational purposes and may be amended as provided therein.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

DECLARANT:

SOUTHERN GENTRY DEVELOPMENTS II, LLC.,
a Georgia limited liability company

By: [Signature]
Name: ROBAL B. JONHAR
Title: PRESIDENT 12/12/07

(SEAL)

Signed, sealed and delivered in the presence of:

[Signature]
Unofficial Witness

[Signature]
Notary Public
My Commission expires: 06/21/08

(Notarial Seal)

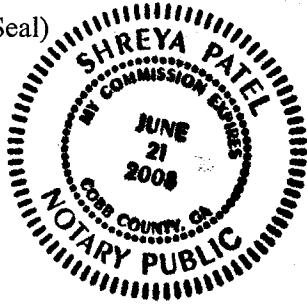


EXHIBIT "A"**Land Initially Submitted**

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 68 OF THE 17 DISTRICT, CITY OF SANDY SPRINGS, FULTON COUNTY, GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING FROM A FULTON COUNTY MONUMENT ON ROSWELL # 9855 THENCE SOUTH 47 DEGREES 29 MINUTES 21 SECONDS EAST A DISTANCE OF 1178.35 FEET TO A POINT BEING THE TRUE POINT OF BEGINNING AT THE CENTER LINE OF GREEN HILL PLACE (50'R/W); RUNNING THENCE SOUTH 87 DEGREES 46 MINUTES 58 SECONDS EAST A DISTANCE OF 25.01 FEET TO A POINT AT THE EASTERN RIGHT OF WAY OF GREEN HILL PLACE (50' R/W); RUNNING THENCE LEAVING SAID THE RIGHT OF WAY SOUTH 89 DEGREES 39 MINUTES 58 SECONDS EAST A DISTANCE OF 430.21 FEET TO A POINT; RUNNING THENCE SOUTH 89 DEGREES 46 MINUTES 34 SECONDS EAST A DISTANCE OF 99.88 FEET TO A POINT; RUNNING THENCE SOUTH 89 DEGREES 46 MINUTES 34 SECONDS EAST A DISTANCE OF 404.02 FEET TO A POINT; RUNNING THENCE SOUTH 89 DEGREES 53 MINUTES 30 SECONDS EAST A DISTANCE OF 10.00 FEET TO A POINT; RUNNING THENCE SOUTH 01 DEGREES 36 MINUTES 21 SECONDS WEST A DISTANCE OF 2.15 FEET TO A POINT; RUNNING THENCE SOUTH 00 DEGREES 46 MINUTES 02 SECONDS WEST A DISTANCE OF 24.83 FEET TO A POINT; RUNNING THENCE SOUTH 89 DEGREES 40 MINUTES 52 SECONDS EAST A DISTANCE OF 401.37 FEET TO A POINT; RUNNING THENCE SOUTH 00 DEGREES 16 MINUTES 28 SECONDS EAST, 659.01 FEET TO A POINT; THENCE NORTH 87 DEGREES 42 MINUTES 39 SECONDS WEST A DISTANCE OF 1348.99 FEET TO A POINT; RUNNING THENCE NORTH 87 DEGREES 49 MINUTES 51 SECONDS WEST, 24.85 FEET TO A POINT; RUNNING THENCE NORTH 00 DEGREES 02 MINUTES 34 SECONDS WEST A DISTANCE OF 638.85 FEET TO A POINT AT THE CENTER LINE OF GREEN HILL PLACE (50'R/W); SAID POINT BEING THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 20.59 ACRES.

EXHIBIT "B"

Land Subject to Annexation

Any and all property lying and being with the City of Sandy Springs, Georgia that is within three (3) miles of any boundary of the property comprising the Community.

Note to Clerk and Title Examiners:

This Declaration is not intended to create an encumbrance on title to the property described in this Exhibit "B." Such title may be encumbered only with the consent of the owner by filing a Supplemental Declaration in accordance with Article IX.

EXHIBIT "C"**Initial Use Restrictions**

The purpose of CHEAS and Use Restrictions is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities which fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Article IV, and the Board, as appropriate, have discretion to approve or disapprove items, or to enforce or not to enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Lot under one set of circumstances, the same thing may be disapproved for another Lot under a different set of circumstances. The exercise of discretion in approval or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it estop the Board from taking enforcement action in any appropriate circumstances.

Subject to the above, the following restrictions shall apply to all of the Community until such time as they are amended, modified, repealed or limited pursuant to Article III of the Declaration.

(a) General. When used in these Use Restrictions, the phrase "Visible from Neighboring Property" shall mean, with respect to any given object, that the object is or would be visible to a six-foot tall person standing at ground level on any part of the neighboring property at an elevation no greater than the elevation of the base of the object being viewed, except where the object is visible solely through a view fence and would not be visible if the view fence were a solid fence.

(b) Animals and Pets. No animal of any kind, including livestock and poultry, shall be raised, bred, or kept on any portion of the Community, except that for each Dwelling there shall be permitted a reasonable number of usual and common household pets, as determined in the Board's discretion. Pets which are permitted to roam free, or, in CHEHOA's sole discretion, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to other Owners or residents of any portion of the Community shall be removed upon the Board's request at the Owners' expense. If the Owner fails to honor such request, the Board may cause the pet to be removed at the Owner's expense. No pets shall be kept, bred, or maintained for any commercial purpose.

(c) Wildlife. Capturing, killing, or trapping wildlife is prohibited within the Community, except for trained professionals in circumstances imposing an imminent threat to the safety of Persons or pets.

(d) Firearms or Other Weapons. The carrying, use or discharge of firearms or other weapons within the Community is prohibited. The term "firearms or other weapons" includes, but is not limited to, "B-B" guns, pellet guns, knives, swords, cross-bows and other firearms or other weapons of all types, regardless of size.

(e) Nuisances. No Owner shall engage in any activity which materially disturbs or destroys the vegetation, wildlife or air quality within the Community or which results in unreasonable levels of sound or light pollution.

(f) Garages and Driveways. Garage doors shall remain closed at all times except to the limited extent reasonably necessary to permit the entry or exit of vehicles or persons. The interior of all garages shall be maintained in a neat, clean and sightly condition. Garages shall be used only for parking vehicles and storage, and shall not be used or converted for living or recreational activities.

(g) Storage of Goods. Storage (except in approved structures or containers) of furniture, fixtures, appliances, machinery, equipment, or other goods and chattels on the Common Area (except by CHEHOA), or, if not, in active use, any portion of a Lot which is visible from outside the Lot is prohibited. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot or Parcel, except: (a) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction or modification) of a building, appurtenant structures or other Improvements; and (b) that which Declarant or CHEHOA may permit or require for the development, operation and maintenance of Country Hills Estates.

(h) Prohibited Conditions. The following conditions, structures, or activities are prohibited on any Lot.

(i) Guest House (except as initially constructed by Declarant or approved by Declarant as part of the initial construction of a Dwelling on a Lot);

(ii) Dog runs and animals pens of any kind, if such structures are Visible from Neighboring Property;

(iii) Shacks or other structures of a temporary nature on any Lot except as may be authorized by Declarant during the initial construction of improvements within the Community. Temporary structures used during the construction or repair of a Dwelling or other improvements shall be removed immediately after the completion of construction or repair;

(iv) Permanent sport goals, basketball standards, backboards or similar structure or device which are or would be Visible from Neighboring Property; provided, portable sport goals may be used on a Lot without prior approval, but must be stored so as not to be Visible from Neighboring Property overnight or otherwise when not in use. No swing sets or other play structures shall be placed or constructed on any Lot without the prior approval of CHEARB (including, without limitation, approval as to appearance and location);

(v) Freestanding flagpoles and flags; provided, United States flags may be displayed using a bracket or other approved device mounted to the Dwelling so long as the size of the flag displayed does not exceed that of a standard United States flag (as determined in the Board's discretion and as may be set forth in a Board rule);

(vi) Statues, lawn ornaments and yard decorations of any size or type must be placed so as not to be visible from Neighboring Property;

(vii) Outside clotheslines or other outside facilities for drying or airing clothes; and

(viii) Any driveway or security gate within a Lot; provided, this prohibition shall not prohibit the Owners of Lots 1 through 4, as depicted on the Master Plan from erecting any private driveway or security gate within his or her Lot.

In any event and notwithstanding the above list of prohibited conditions, as set forth in Article IV, any structure, improvement, or thing proposed for construction, erection, installation, or placement on a Lot requires prior Reviewer approval unless otherwise specifically exempt under the CHEAS.

(i) Quiet Enjoyment. Nothing shall be done or maintained on any part of a Lot which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the occupants and invitees of other Lots.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Community, which in the Board's reasonable determination tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants and invitees of other Lots.

(j) Signs. No sign shall be erected within the Community, except those required by legal proceedings, including posters, circulars, and billboards; provided, the following types of signs may be erected on a Lot without the board's written consent: (i) residential identification signs of a face area of 75 square inches or less for identification of the occupant and its address, in the number, size, color, design, message content and location designated by the CHEAS or approved by CHEARB; (ii) one temporary sign of customary size, as determined by CHEARB, for the purpose of advertising the Lot for sale or rent, and which shall not be allowed to remain on a Lot or Parcel for more than a total of ninety (90) days during any 365 day period; (iii) temporary "open house" signs indicating that a Lot is available for inspection by interested parties, but such signs may only be erected or maintained during the hours of 10:00 a.m. through 6:00 p.m. on Saturdays, Sundays, legal holidays or other days designated by CHEARB; (iv) one temporary sign identifying the Person installing landscaping or a pool on the Lot, but only during the period that such installation is in progress; (v) security signs of a face area of 75 square inches or less, in a style and location designated by the CHEAS or approved by CHEARB; and (vi) such construction job identification signs, business identification signs and subdivision identification signs which are in conformance with the requirements of the City of Sandy Springs, Georgia or any municipality having jurisdiction over the property and which have been approved in writing by CHEARB as to number, size, color, design, message content and location. This restriction shall not apply to entry, directional and marketing signs installed by Declarant or a Builder. The Board and Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

(k) Holiday Decorations. Owners may display holiday decorations located or visible from outside their Dwelling if the decorations are of the kinds normally displayed in single family residential neighborhoods, are of reasonable size and scope, and do not disturb other Owners and residents by excessive light or sound emission or by causing an unreasonable amount of spectator traffic. Holiday decorations may be displayed in season only from November 1 to January 31 and, during other times of the year, from one week before to one week after any nationally recognized holiday.

(l) Antennas and Satellite Dishes. No antenna, satellite dish, or other device of the transmission or reception of television or radio (including amateur or ham radios) signals is permitted outside the Dwelling, except those devices whose installation and use is protected under federal law or regulations (generally, certain antennae under one meter in diameter). Notwithstanding such protection, an application for such an antenna or other device must be submitted to CHEARB for approval and approval will be granted only if:

(i) First, the antenna or other device is designed for minimal visual intrusion (*i.e.*, is located in a manner that minimizes visibility from the street or an adjacent Lot and is consistent with the Community-Wide Standard); and

(ii) Second, the antenna or other device complies to the maximum extent feasible with the CHEAS within the confines of applicable federal regulations (*i.e.*, without precluding reception of a quality signal or unreasonably increasing the cost of the antenna or device).

(iii) One satellite dish antenna measuring one meter or less in diameter may be erected on any lot. Residents are encouraged to place any satellite dish antenna in the back yard, below the wall level, if reception is available at that location. If not, then placement should be on the back or side of the house below the roofline, if reception is available at that location. If an acceptable signal is not available in either of those locations, then placement may be above the roofline or in the front of the house. Any front of house or front yard installation should be screened from view. If the installation of a satellite dish antenna meets the foregoing requirements, no CHEARB approval is required. However, Residents are encouraged to obtain CHEARB approval before any installation, but to avoid undue delay, residents may request CHEARB approval within 10 (ten) days following an installation.

CHEARB shall consider any such application on an expedited basis.

(m) Trash Containers and Collection. No garbage or trash, compost piles or containers shall be placed or kept on any Lot, except in covered containers of a type, size and style which are pre-approved by CHEARB or specifically permitted under the CHEAS, or as required by the applicable governing jurisdiction. Such containers shall not be Visible from Neighboring Property except when they are being made available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. Not outdoor incinerators shall be kept or maintained on any Lot.

(n) Pool Equipment. All pool equipment stored on any Lot shall be screened so as to be neither Visible from Neighboring Property nor able to be seen through any view fence.

(o) Unightly or Unkempt Conditions. All portions of a Lot outside enclosed structures shall be kept in a clean and tidy condition at all times. No rubbish or debris of any kind shall be placed or permitted to accumulate within, upon, or adjacent to any Lot so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of The Community.

Woodpiles or other material shall be stored in a manner so as not to be Visible from Neighboring Property and shall be guarded from infestation by rodents, snakes, and other animals and to minimize the potential danger from fires. No nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other portion of The Community. No activities shall be conducted upon or adjacent to any Lot or within improvement constructed thereon which are or might be unsafe or hazardous to any Person or property. No open fires shall be lighted or permitted, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior fireplace.

(p) Landscaping. Pursuant to Section 4.3 of the Declaration, initial landscaping shall be installed, as approved, in the front and side yards of a lot within ninety (90) days from the date of the initial closing of escrow on the Lot or the issuance of a certificate of occupancy on the Lot, whichever is later. Initial landscaping on all other portions of the Lot, including the rear yard, shall be installed within 180 days from the date of the initial closing of escrow on the Lot or the issuance of a certificate of occupancy on the Lot, whichever is later.

(q) Vehicles and Parking. The term "vehicles," as used in this Section, shall include, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans and recreational vehicles.

No vehicles may be left upon any portion of the Community except in a garage, driveway, or other area designated by the Board. No person shall park any recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, stored vehicles, and unlicensed vehicles or inoperable vehicles

within the Community other than in enclosed garages; provided, boats may be kept or stored on a Lot so long as they are not Visible from Neighboring Property. This Section shall not apply to emergency vehicle repairs.

Notwithstanding the above, for purposes of cleaning, loading, unloading and short term parking, recreational vehicles not to exceed fifteen (15) feet may be parked on the Lot's driveway for period not exceeding 72 hours no more frequently than every thirty days. Owners must obtain a recreational vehicle permit for such short term parking from CHEHOA office.

(r) Solar Equipment. No solar heating equipment or device is permitted outside the Dwelling except such devices whose installation and use is protected by federal or Georgia law. Notwithstanding such protection, an application for such equipment or device must be submitted for approval under Article IV prior to installation and approval will be granted only if:

(i) First, such equipment or device is designed for minimal visual intrusion when installed (*i.e.* is located in a manner which minimizes visibility from the street or an adjacent Lot and is consistent with the Community-Wide Standard); and

(ii) Second, the equipment or device complies to the maximum extent feasible with the CHEAS within the confines of the applicable governmental regulations.

(s) Rooftop HVAC Equipment Prohibited. No heating, ventilating, air conditioning or evaporative cooling units or appurtenant equipment may be mounted, installed or maintained on the roof of any Dwelling or other building so as to be Visible From Neighboring Property.

(t) Tanks. No tanks of any kind (including tanks for the storage of fuel) shall be erected, placed or maintained on any Lot unless such tanks are buried underground. Nothing herein shall be deemed to prohibit use or storage upon any Lot or Parcel of an aboveground propane or similar fuel tank with a capacity of ten (10) gallons or less used in connection with a normal residential gas barbecue, grill or fireplace or a spa or "hot tub," so long as any such tank either: (a) has a capacity of ten (10) gallons or less; or (b) is appropriately stored, used and/or screened, in accordance with CHEARB Rules or as to otherwise approved by CHEARB, so as not to be Visible from Neighboring Property.

EXHIBIT "D"

By-Laws of Country Hills Estates Homeowners Association, Inc.

EXHIBIT "D"

BY-LAWS

OF

THE COUNTRY HILLS ESTATES HOMEOWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Article 1 Name, Principal Office, and Definitions	1
1.1. Name.	1
1.2. Principal Office.	1
1.3. Definitions.	1
Article 2 Membership: Meetings, Quorum, Voting, Proxies	1
2.1. Membership.	1
2.2. Place of Meetings.	1
2.3. Association Meetings.	1
2.4. Notice of Meetings.	2
2.5. Waiver of Notice.	2
2.6. Adjournment of Meetings.	2
2.7. Voting.	2
2.8. Proxies.	2
2.9. Quorum.	3
2.10. Conduct of Meetings.	3
2.11. Action Without a Meeting.	3
Article 3 Board of Directors: Selection, Meetings, Powers	3
A. Composition and Selection	3
3.1. Governing Body; Qualifications.	3
3.2. Number of Directors.	4
3.3. Selection of Directors; Term of Office.	4
3.4. Nomination and Election Procedures.	5
3.5. Removal of Directors and Vacancies.	5
B. Meetings	6
3.6. Organizational Meetings.	6
3.7. Regular Meetings.	6
3.8. Special Meetings.	6
3.9. Notice; Waiver of Notice.	6
3.10. Telephonic Participation in Meetings.	6
3.11. Quorum of Board.	7
3.12. Conduct of Meetings.	7
3.13. Open Meetings; Executive Session.	7
3.14. Action Without a Formal Meeting.	7
C. Powers and Duties	7
3.15. Powers.	7
3.16. Duties.	7
3.17. Conflicts of Interest.	8
Article 4 Transition from Declarant to Owner Control	9
4.1. Transition Process.	9
4.2. Education and Communication.	9
4.3. Transition Committee.	9
4.4. Professional Assistance.	10

Article 5 Officers	10
5.1. Officers.	10
5.2. Election and Term of Office.	10
5.3. Removal and Vacancies.	11
5.4. Powers and Duties.	11
5.5. Resignation.	11
Article 6 Committees	11
6.1. General.	11
6.2. Covenants Committee.	11
Article 7 Standards of Conduct; Liability and Indemnification	12
7.1. Standards for Directors and Officers.	12
7.2. Liability.	12
7.3. Indemnification.	12
7.4. Advancement of Expenses.	13
7.5. Board and Officer Training.	13
Article 8 Management and Accounting	14
8.1. Compensation of Directors and Officers.	14
8.2. Right of Declarant to Disapprove Actions.	14
8.3. Managing Agent.	15
8.4. Accounts and Reports.	15
8.5. Borrowing.	16
8.6. Right to Contract.	16
8.7. Agreements, Contracts, Deeds, Leases, Checks, Etc.	16
Article 9 Enforcement Procedures	16
9.1. Notice and Response.	16
9.2. Hearing.	17
9.3. Appeal.	17
Article 10 Miscellaneous	17
10.1. Fiscal Year.	17
10.2. Parliamentary Rules.	17
10.3. Conflicts.	17
10.4. Books and Records.	17
10.5. Notices.	18
10.6. Amendment.	19

BY-LAWS
OF
COUNTRY HILLS ESTATES HOMEOWNERS ASSOCIATION, INC.

Article 1
Name, Principal Office, and Definitions

1.1 Name.

The name of the corporation is Country Hills Estates Homeowners Association, Inc. (the "CHEHOA").

1.2 Principal Office.

CHEHOA's principal office shall be located in Fulton County, Georgia. CHEHOA may have such other offices as the Board may determine or as CHEHOA's affairs require.

1.3 Definitions.

The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the meaning ascribed to them in the Declaration of Covenants, Conditions and Restrictions for Country Hills Estates recorded by Southern Gentry Developments II, Inc., a Georgia corporation, in the public records of Fulton County, Georgia, as it may be amended (the "Declaration"). The term "majority," as used in these By-Laws, means those votes, Owners, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

Article 2
Membership: Meetings, Quorum, Voting, Proxies

2.1 Membership.

CHEHOA shall have two (2) classes of membership, Owners and Declarant (the "Members"), as more fully set forth in the Declaration. Provisions of the Declaration pertaining to membership are incorporated by this reference.

2.2 Place of Meetings.

CHEHOA shall hold meetings at CHEHOA's principal office or at such other suitable place the Board may designate.

2.3 Association Meetings.

(a) *General.* Association meetings shall be of the Members unless the Board otherwise specifies or Georgia law otherwise requires. The first Association meeting, whether a regular or special meeting, shall be held within one year after CHEHOA's incorporation.

(b) *Annual Meetings.* The Board shall schedule regular annual meetings to occur within ninety (90) days before or after the close of CHEHOA's fiscal year, on such date and at such time and place as the Board shall determine.

(c) *Special Meetings.* The President may call special meetings. In addition, the President or the Secretary shall call a special meeting if so directed by Board resolution or upon a written petition of Members representing at least ten percent (10%) of the total votes in CHEHOA.

2.4 Notice of Meetings.

The President, the Secretary, or the officers or other persons calling a meeting of the Members shall deliver or cause to be delivered to each Member entitled to vote at such meeting a written notice stating the place, day, and hour of the meeting. In the case of a special meeting or when otherwise required by statute, the Declaration, or these By-Laws, the purpose or purposes for which the meeting is called shall also be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. Such notice shall be delivered by such means as permitted under Section 10.5, at least ten (10) but not more than sixty (60) days before the date of such meeting.

2.5 Waiver of Notice.

Waiver of notice of an Association meeting shall be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any Association meeting, either before or after such meeting. A Member's attendance at a meeting shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.6 Adjournment of Meetings.

If any Association meeting cannot be held because a quorum is not present, the Members representing a majority of the votes present at such meeting may adjourn the meeting to a time at least five (5) but not more than thirty (30) days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, the Board shall provide notice to the Members of the time and place for reconvening the meeting in the manner prescribed for regular meetings. Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Members to leave less than a quorum, provided at least a majority of the votes required to constitute a quorum must approve any action taken.

2.7 Voting.

(a) *Voting Rights.* Members shall have such voting rights as are set forth in the Declaration, which provisions are specifically incorporated by this reference.

2.8 Proxies.

Members may cast the vote for his or her Lot on any matter. A Member may vote in person or by proxy, subject to the limitations of Georgia law and subject to any specific provision to the contrary in the Declaration or these By-Laws. Every proxy shall be in writing, shall identify the Lot for which it is given, shall be signed by the Member or the Member's duly authorized attorney-in-fact, and shall be dated and filed with CHEHOA's Secretary prior to the meeting for which it is to be effective. Unless the proxy specifically provided otherwise, a proxy shall be presumed to cover all votes which the Member giving

such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. A proxy is effective only for the specific meeting for which it was originally given, as such meeting lawfully may be adjourned and reconvened, and automatically expires 90 days after the date of the meeting for which it was originally given. Every proxy is revocable at any time at the pleasure of the Member who executes the proxy.

2.9 Quorum.

Except as these By-Laws or the Declaration otherwise provide, the presence of Members representing thirty percent (30%) of the total votes in CHEHOA shall constitute a quorum at all Association meetings and the vote of Members representing a majority of the total eligible votes cast shall constitute the action of the Members.

2.10 Conduct of Meetings.

The President or a Board-approved designee shall preside over all Association meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with CHEHOA's books.

2.11 Action Without a Meeting.

Any action required by the Declaration, the Articles, or Georgia law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if approved by Members representing at least the minimum number of votes in CHEHOA necessary to authorize such action at a meeting; provided, at least a majority of Owners entitled to vote on a matter must approve such action. Such approval shall be evidenced by one or more written consents specifically authorizing the proposed action, dated and signed by Members holding the requisite votes. CHEHOA need not give prior notice before soliciting such consent; however, CHEHOA must send written consent forms to all Members for action authorized pursuant to this section to be valid. Members shall sign, date, and deliver such consents to CHEHOA within sixty (60) days after CHEHOA's receipt of the earliest dated consent. CHEHOA's Secretary shall file (or cause to be filed) such consents with CHEHOA's minutes and the consents shall have the same force and effect as a vote of the Members at a meeting.

Article 3

Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1 Governing Body; Qualifications.

The Board shall govern CHEHOA's affairs. Each director shall have one vote. Except with respect to directors appointed by the Declarant, directors shall be Owners or residents. However, no Owner or resident representing the same Lot may serve on the Board at the same time. A "resident" shall be any natural person eighteen (18) years of age or older whose principal residence is a Lot within Country Hills Estates.

If an Owner is not an individual, any officer, director, partner, or any trust officer of such Owner shall be eligible to serve as a director unless a written notice to CHEHOA signed by the Owner specifies otherwise. However, no Owner may have more than one such representative on the Board at a time except in the case of directors the Declarant appoints.

3.2. Number of Directors.

The Board shall consist of three (3) to seven (5) directors, as provided in Section 3.3.

3.3. Selection of Directors; Term of Office.

(a) *Initial Board.* The initial Board shall consist of the three (3) directors identified in the Articles, who shall serve until their successors are appointed or elected as provided in this Section.

(b) *Directors During Declarant Control Period.* Except as otherwise provided in this subsection, the Declarant may appoint, remove, and replace Board members until termination of the Declarant Control Period. During such period, the Members shall be entitled to elect a minority of the total number of directors according to the following schedule (directors elected by the Members are referred to as "Owner Directors"):

(i) Within sixty (60) days after the time that Owners other than Builders own fifty percent (50%) of the maximum number of Lots permitted by the applicable zoning for the property described in the Master Plan or whenever the Declarant earlier determines, the President shall call for an election by which the Members, as a group, shall be entitled to elect one of the three directors. The remaining directors shall be appointees of the Declarant. The Owner Director shall be elected for a term of two years or until the happening of the event described in subsection (b)(ii) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b)(ii), a successor shall be elected for a like term.

(ii) Within sixty (60) days after the time that Owners other than Builders own seventy five percent (75%) of the maximum number of Lots permitted by the applicable zoning for the property described in the Master Plan or whenever the Declarant earlier determines, the Board shall be increased to five directors and the President shall call for an election by which the Members, as a group, shall be entitled to elect two of the five (5) directors, who shall be elected at large. The Declarant shall appoint the remaining three (3) directors. The Owner Directors shall be elected for a term of two (2) years or until the happening of the event described in subsection (c)(i) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c)(i) below, successors shall be elected for a like term.

(c) *Directors After the Declarant Control Period.*

(i) Not later than termination of the Declarant Control Period, the President shall call for an election by which the Members shall be entitled to elect four (4) directors. Two (2) directors shall be elected to serve until the second annual meeting following their election and two (2) directors shall be elected to serve until the third annual meeting following their election, as such directors determine among themselves.

(ii) The Declarant shall be entitled to appoint, remove, and replace the fifth director until such time as the Declarant no longer owns a Lot within Country Hills Estates, at which time the director appointed by the Declarant shall resign. The remaining directors shall be entitled to appoint a successor to fill the vacancy until the next annual meeting, at which time the Members, voting at large, shall be entitled to elect a successor who shall be elected for a term of two (2) years.

(iii) Upon expiration of the term of office of each Owner Director, the Members entitled to elect such director shall be entitled to elect a successor to serve a term of two (2) years. Owner

Directors shall hold office until their respective successors have been elected. Directors may serve any number of consecutive terms.

3.4. Nomination and Election Procedures.

(a) *Nomination of Candidates.* At least thirty (30) days prior to any election of directors by the Members, the Board shall appoint a Nominating Committee consisting of a chairman, who shall be a Board member, and three or more Owners or representatives of Owners. The Nominating Committee shall serve a term of one (1) year or until its successors are appointed. The names of the Nominating Committee members shall be announced in the notice of each election.

In preparation for each election, the Nominating Committee shall meet and make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled by the Members at such election. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates. Nominations shall also be permitted from the floor at the meeting at which any election is held. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(b) *Election Procedures.* At each election, voting shall be by written ballot. In the event of a tie vote, the Members shall be informed of the tie vote and given the opportunity to discuss the candidates in an effort to resolve the tie before another vote is taken. If the second vote again results in a tie, then the Board shall call for another election of the director, such election shall be held by mail, with ballots to be sent by first class mail to each Owner within ten (10) days after the meeting at which the original election was held.

3.5. Removal of Directors and Vacancies.

Any Owner Director may be removed, with or without cause, by the vote of Owner Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director by the Owner Members, the Owner Members entitled to elect the removed director shall elect a successor for the remainder of the term of such director.

At any meeting at which a quorum is present, a majority of the directors may remove any Owner Director who has three consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or resides in a Lot owned by an Owner who is so delinquent) in the payment of any assessment or other charge due CHEHOA. The Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of an Owner Director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Owner Members entitled to fill such directorship shall elect a successor for the remainder of the term. Any director whom the Board appoints shall be selected from among eligible Owners or residents of Lots.

This Section shall not apply to directors the Declarant appoints. The Declarant may appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director appointed by the Declarant.

B. Meetings.**3.6. Organizational Meetings.**

The Board shall hold an organizational meeting within ten (10) days following each annual Association meeting at such time and place as the Board shall fix.

3.7. Regular Meetings.

The Board shall hold regular meetings at such time and place as a majority of the directors shall determine, but the Board shall meet at least four (4) times during each fiscal year with at least one (1) meeting per quarter.

3.8. Special Meetings.

The President, Vice President, or any two (2) directors may call a special meeting of the Board.

3.9. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall notify each director of meetings by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at or sent to the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on CHEHOA's records. The Board shall deposit notices sent by first class mail into a United States mailbox at least five (5) business days before the day of the meeting. The Board shall give notices by personal delivery, telephone, or electronic communication at least seventy two (72) hours before the time set for the meeting.

(b) The Board shall notify the Members of each Board meeting by either: (i) posting notice of the meeting in a conspicuous place in at least forty eight (48) hours in advance of the meeting; (ii) publication of a schedule of the Board meetings in a newspaper, newsletter, on a community intranet or website, or by similar means at least seven (7) days prior to the meeting; or (iii) mailing notice of the meeting to each Member.

(c) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10. Telephonic Participation in Meetings.

Members of the Board or any committee the Board designates may participate in a Board or committee meeting by conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

3.11. Quorum of Board.

At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless Georgia law, these By-Laws, or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact, without further notice, any business it might have transacted at the original meeting.

3.12. Conduct of Meetings.

The President or any designee the Board approves by resolution shall preside over all Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions and all transactions occurring at such meetings are included in CHEHOA's records.

3.13. Open Meetings; Executive Session.

(a) Subject to the provisions of subsection 3.13(b) and Section 3.14, all Board meetings shall be open to all Members, but only directors may participate in any discussion or deliberation unless a director requests that attendees be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(b) Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as proposed, pending, or threatened litigation, or other matters specified by law.

3.14. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if the directors sign a written consent, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.15. Powers.

The Board shall have the power to administer CHEHOA's affairs, perform CHEHOA's responsibilities, and exercise CHEHOA's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done on CHEHOA's behalf all acts and things except those which the Governing Documents or Georgia law require to be done and exercised exclusively by the Members or the membership generally.

3.16. Duties.

The Board's duties shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;
- (b) levying and collecting assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Common Area consistent with the Community-Wide Standard;
- (d) designating, hiring, and dismissing personnel necessary to carry out CHEHOA's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) opening bank accounts on CHEHOA's behalf and designating the signatories required;
- (f) depositing all funds received on CHEHOA's behalf in a bank depository which it shall approve and using such funds to operate CHEHOA; however, in the Board's business judgment any reserve funds may be deposited in depositories other than banks;
- (g) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;
- (h) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning CHEHOA; however, CHEHOA's obligation in this regard shall be conditioned in the manner provided in the Declaration;
- (i) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (j) paying the cost of all services rendered to CHEHOA;
- (k) keeping a detailed accounting of CHEHOA's receipts and expenditures;
- (l) making available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of CHEHOA as provided in Article 10; and
- (m) indemnifying a director, officer or committee member, or former director, officer or committee member of CHEHOA to the extent such indemnity is required by Georgia law, the Articles, or these By-Laws.

3.17. Conflicts of Interest.

Unless otherwise approved by a majority of the other directors, no Owner Director may transact business with CHEHOA or any Association contractor during his or her term as director or within two (2) years after the term expires. A director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. A director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members. Notwithstanding the above, directors appointed by the Declarant may be employed by or otherwise transact business with the Declarant or its affiliate, and the Declarant may transact business with CHEHOA or its contractors.

Article 4
Transition from Declarant to Owner Control

4.1. Transition Process.

Transition is a process by which control of the Board gradually shifts from the Declarant to the Owners, as described in Section 3.3. The process concludes upon termination of the Declarant Control Period. At that time, the Owners, through their newly-elected Board, will take responsibility for fulfilling CHEHOA's responsibilities and exercising CHEHOA's authority under the Governing Documents without the direct guidance or involvement of the Declarant or Declarant-appointed directors.

4.2. Education and Communication.

In anticipation of termination of the Declarant Control Period, the Declarant shall communicate with the Owners regarding the transition process, the anticipated timeline for transition, what to expect during and after the transition, and opportunities for Owner participation. Such communication shall be in writing and through one or more "town hall" meetings at which Owners have the opportunity to ask and obtain answers to questions in order to gain a better understanding of the transition process.

4.3. Transition Committee.

(a) *Appointment; Purpose.* At least six (6) months prior to termination of the Declarant Control Period, the Declarant shall establish a Transition Committee comprised of three (3) to five (5) members, all of whom shall be Owners. The purpose of the Transition Committee shall be (i) to involve the Owners in facilitating a smooth transition of control of the Board from directors appointed by the Declarant to directors elected by the Members, and (ii) to help prepare the Board and the Owners to assume responsibility for carrying on Association operations once the Declarant and its representatives are no longer directly involved.

(b) *Organizational Meeting.* The Declarant shall call for a meeting of the Transition Committee within thirty (30) days after its appointment. At such meeting, the Declarant shall explain the transition process, advise the Transition Committee of its responsibilities, and facilitate the election of a chairperson from among the members of the Transition Committee. The Transition Committee shall establish a meeting schedule and a schedule for completing necessary tasks prior to the termination of the Declarant Control Period. It may appoint such subcommittees as it deems appropriate to assist it in performing its responsibilities. Each subcommittee shall be chaired by a member of the Transition Committee and shall consist of at least two (2) Owners.

(c) *Responsibilities.* The Transition Committee, with the assistance of such subcommittees as it may appoint pursuant to subsection (b), shall conduct a review and analysis of Association properties, facilities, records, and operations to familiarize itself with the history and status of such matters and make recommendations as to matters requiring future action. It shall prepare a report setting forth its findings and recommendations for distribution to the Owners and presentation to the newly-elected Board upon termination of the Declarant Control Period. The Board will use such report to assist in understanding the scope of its responsibilities and as a planning tool. Specific areas to be addressed in the report shall include:

(i) the condition of Association property and facilities, identifying any immediate maintenance, repairs, or improvements needed and suggesting a proposed schedule for short and long-term maintenance, repairs, and replacements;

(ii) the financial condition of CHEHOA, including the status of any outstanding accounts receivable and actions being taken to collect them, the adequacy of CHEHOA's budgets and sufficiency of reserves, and the status of CHEHOA's tax filings, tax liability, if any, and tax reporting responsibilities;

(iii) the nature and extent of insurance policies which CHEHOA is required to maintain, the adequacy of current coverage and limits, renewal dates for all insurance policies, and the status of any pending insurance claims; and

(iv) the status of Association records and legal matters, identifying all existing contracts, permits, licenses, and warranties, if any, noting their expiration dates and making any recommendations as to their renewal; reporting on the status of title to all Common Areas; reporting on the status of any pending lawsuits; and making recommendations as to any proposed changes or amendments to the Governing Documents that the Transition Committee feels are appropriate or advisable.

(d) *Communication.* The Transition Committee shall report to the Board at least monthly on the status of its work.

(e) *Board Action.* Upon termination of the Declarant Control Period and election of a new Board pursuant to Section 3.3(c), the Board shall review the Transition Committee's report and meet with the Transition Committee to discuss the Committee's findings and recommendations. It shall then use the Transition Committee's report as a planning tool in carrying out its responsibilities under the Governing Documents.

4.4. Professional Assistance.

The Board may, as a Common Expense, retain industry professionals, including association managers, attorneys, engineers, and accountants, as it deems necessary or appropriate to assist the Board in preparing for transition and to assist the Transition Committee in conducting its review.

Article 5 Officers

5.1. Officers.

CHEHOA's officers shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board members; other officers may, but need not, be Board members. The Board may appoint such other officers, including one (1) or more Assistant Secretaries and Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

5.2. Election and Term of Office.

The Board shall elect CHEHOA's officers at the first Board meeting following each annual meeting of CHEHOA, to serve until their successors are elected.

5.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment CHEHOA's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

5.4. Powers and Duties.

CHEHOA's officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be CHEHOA's chief executive officer. The Treasurer shall have primary responsibility for preparing CHEHOA's budgets as provided for in the Declaration, and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

5.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

Article 6 Committees

6.1. General.

In addition to the Transition Committee appointed pursuant to Article 4, the Board may appoint such other committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. In the conduct of its duties and responsibilities, each committee shall abide by the notice and quorum requirements applicable to the Board under Sections 3.9, 3.10, and 3.11. Except as otherwise provided by Board resolution or the Governing Documents, members of a committee may act by unanimous written consent in lieu of a meeting.

6.2. Covenants Committee.

In addition to any other committees that the Board may establish pursuant to Section 6. 1, the Board may appoint a Covenants Committee consisting of at least three (3) and no more than five (5) Owners who shall not be officers, directors, or employees of CHEHOA, or the spouse, parent, sibling, or child of any officer, director, or employee. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of CHEHOA and shall conduct all hearings held pursuant to Article 9 of these By-Laws. The Covenants Committee shall have no responsibility for seeking out violations of the Governing Documents.

Article 7
Standards of Conduct; Liability and Indemnification

7.1. Standards for Directors and Officers.

The Board shall exercise its powers in a reasonable, fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents. In performing their duties, directors and officers shall act as fiduciaries and shall be insulated from liability as provided for directors of corporations under Georgia law and as otherwise provided by the Governing Documents. Directors and officers shall discharge their duties as directors or officers, and as members of any committee to which they are appointed, in a manner that the director or officer believes in good faith to be in the best interest of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by others to the extent authorized under Georgia law.

7.2. Liability.

(a) A director or officer shall not be personally liable to CHEHOA, any Member, or any other Person for any action taken or not taken as a director or officer if he or she has acted in accordance with Section 7.1.

(b) Pursuant to the business judgment rule, a director also shall not be personally liable for any action taken or not taken as a director if the director:

(i) acts within the expressed or implied scope of the Governing Documents and his or her actions are not ultra vires;

(ii) affirmatively undertakes to make decisions which the director reasonably believes are necessary for CHEHOA's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on a disinterested basis, promptly disclosing any real or potential conflict of interests (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he has a conflict of interest (beyond that which all directors have by virtue of their ownership or occupancy of a Lot); and

(iv) acts in a non-fraudulent manner and without reckless indifference to CHEHOA's affairs.

(c) CHEHOA's officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on CHEHOA's behalf (except to the extent that such officers or directors may also be Members).

7.3. Indemnification.

Subject to the limitations of Georgia law, CHEHOA shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees and expenses, reasonably

incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that CHEHOA shall have no obligation to indemnify any individual against liability or expenses incurred in connection with a proceeding:

(a) brought by or in the right of CHEHOA, although it may reimburse the individual for reasonable expenses incurred in connection with the proceeding if it is determined, by the court or in the manner provided above, that the individual met the relevant standard of conduct under Georgia law; or

(b) to the extent that the individual is adjudged liable for conduct that constitutes:

- (i) appropriation, in violation of his or her duties, of any business opportunity of CHEHOA; or
- (ii) intentional misconduct or knowing violation of the law; or
- (iii) an unlawful distribution to members, directors or officers; or
- (iv) receipt of an improper personal benefit.

This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. CHEHOA shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.4. Advancement of Expenses.

In accordance with the procedures and subject to the conditions and limitations set forth in Georgia law, the Board may authorize CHEHOA to advance funds to pay for or reimburse the reasonable expenses incurred by a present or former officer, director or committee member in any proceeding to which he or she may be a party by reason of being or having been an officer, director, or committee member of CHEHOA.

7.5. Board and Officer Training.

The Board may conduct or provide for seminars and continuing educational opportunities designed to educate and inform its officers and directors of their responsibilities as officers and directors. Such programs may include instruction on applicable Georgia corporate and fiduciary law principles, other issues relating to administering community affairs, and upholding and enforcing the Governing Documents. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. Each newly elected officer and director shall be encouraged to complete a training seminar within the first six (6) months of assuming such position. The seminar may be live, video or audiotape, or in other format. The cost of such seminar shall be a Common Expense.

The Board also may provide, or provide for, Owner and resident education designed to foster a better understanding of Country Hills Estates' governance and operations, and leadership training classes designed to educate Members and Owners of the nomination, election, and voting processes and the duties and responsibilities of directors and officers.

**Article 8
Management and Accounting**

8.1. Compensation of Directors and Officers.

CHEHOA shall not compensate directors and officers for acting as such unless Members representing a majority of the total votes in CHEHOA approve such compensation at an Association meeting. CHEHOA may reimburse any director or officer for expenses he or she incurs on CHEHOA's behalf upon approval of a majority of the other directors. Nothing herein shall prohibit CHEHOA from compensating a director or officer, or any entity with which a director or officer is affiliated, for services or supplies he or she furnishes to CHEHOA in a capacity other than as a director or officer pursuant to a contract or agreement with CHEHOA. However, such director must make known his or her interest to the Board prior to entering into such contract, and a majority of the Board, excluding any interested director, must approve such contract.

8.2. Right of Declarant to Disapprove Actions.

So long as the Declarant owns a Lot within Country Hills Estates, the Declarant shall have a right to disapprove any action, policy, or program of CHEHOA, the Board and any committee which, in the Declarant's sole judgment, would tend to impair rights of the Declarant or Builders under the Declaration or these By-Laws, interfere with development or construction of any portion of Country Hills Estates, or diminish the level of services CHEHOA provides. The Board shall not implement any action, policy, or program subject to the right of disapproval set forth herein until and unless the requirements of this Section have been met.

(a) *Notice.* CHEHOA shall give the Declarant written notice of all meetings of the membership, the Board, and committees and any actions which any of them propose to take by written consent in lieu of a meeting. CHEHOA shall give such notice by certified mail, return receipt requested, or by personal delivery at the address the Declarant has registered with CHEHOA. Such notice shall comply as to Board meetings with Section 3.9, and shall, except in the case of regular Board meetings pursuant to these By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting.

(b) *Opportunity to be Heard.* At any such meeting, CHEHOA shall give the Declarant the opportunity to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives, or its agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Declarant, acting through any officer or director, agent, or authorized representative, may exercise its right to disapprove at any time within ten (10) days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) days following receipt of written notice of the proposed action.

The Declarant may use this right to disapprove to block proposed actions but shall not use it to require any action or counteraction of any committee, the Board, or CHEHOA. The Declarant shall not use its right to disapprove to reduce the level of services CHEHOA is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

8.3. Managing Agent.

The Board may employ for CHEHOA professional management agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 3.16. The Board may employ the Declarant or its affiliate as managing agent or manager. The Board may delegate to one of its members the authority to act on its behalf on all matters relating to the duties of the managing agent or manager which might arise between Board meetings. CHEHOA shall not be bound, either directly or indirectly, by any management contract executed during the Declarant Control Period unless such contract contains a right of termination which may be exercised by CHEHOA, with or without cause and without penalty, at any time after termination of the Declarant Control Period upon not more than ninety (90) days' written notice.

The managing agent shall not accept remuneration from vendors, independent contractors, or others providing goods or services to CHEHOA, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit CHEHOA. The managing agent shall promptly disclose to the Board any financial or other interest that it may have in any firm providing goods or services to CHEHOA.

8.4. Accounts and Reports.

(a) The Board shall follow the following accounting standards unless the Board by resolution specifically determines otherwise:

(i) accounting and controls should conform to generally accepted accounting principles; and

(ii) CHEHOA's cash accounts shall not be commingled with any other accounts, and during the Declarant Control Period, operating accounts shall not be commingled with reserve accounts;

(b) Commencing at the end of the quarter in which the first Lot is sold and closed, financial reports shall be prepared for CHEHOA within sixty (60) days after the end of each quarter:

(i) an income statement reflecting all income and expense activity for the preceding period;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report (any assessment or installment thereof shall be considered to be delinquent on the fifteenth (15th) day following the due date unless the Board specifies otherwise by resolution). A copy of the quarterly financial report shall be made available at no charge to any Member requesting a copy.

(c) An annual report consisting of at least the following shall be made available for Members' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines.

8.5. Borrowing.

CHEHOA shall have the power to borrow money for any legal purpose. However, the Board shall obtain Member approval in the same manner provided in the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed twenty percent (20%) of CHEHOA's budgeted gross expenses for that fiscal year.

8.6. Right to Contract.

CHEHOA shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives and other owners or residents associations, within and outside Country Hills Estates .

8.7. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Association agreements, contracts, deeds, leases, checks, and other instruments shall be executed by at least two officers or by such other person or persons as the Board may designate by resolution.

Article 9 Enforcement Procedures

CHEHOA shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

9.1. Notice and Response.

The Board or its delegate shall serve the alleged violator with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) the alleged violator shall have fourteen (14) days to present a written request for a hearing before the Covenants Committee appointed pursuant to Article 6; and (d) a statement that the proposed sanction maybe imposed as contained in the notice unless a hearing is requested within fourteen (14) days of the notice. The alleged violator shall respond to the notice of the alleged violation in writing within such fourteen-day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board in writing within such fourteen-day period the Board may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board or Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fourteen-day period. Prior to the effectiveness of sanctions imposed pursuant to this Article, proof of proper notice shall be placed in the minutes of the Board or Covenants Committee, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the

date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

9.2. Hearing.

If a hearing is requested within the allotted fourteen-day period, the hearing shall be held before the Covenants Committee. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meetings of the Covenants Committee shall contain a written statement of the results of the hearing (i.e., the Committee's decision) and the sanction, if any, to be imposed.

9.3. Appeal.

Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To exercise this right, the violator must deliver a written notice of appeal to CHEHOA's manager, President, or Secretary within ten (10) days after the hearing date.

Article 10 Miscellaneous

10.1. Fiscal Year.

CHEHOA's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

10.2. Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law or the Governing Documents.

10.3. Conflicts.

If there are conflicts among the provisions of Georgia law, the Articles, the Declaration, and these By-Laws, the provisions of Georgia law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

10.4. Books and Records.

(a) *Turnover of Books and Records.* Within ninety (90) days after termination of the Declarant Control Period, the Declarant shall deliver to CHEHOA all property, books and records of CHEHOA.

(b) *Inspection by Members and Mortgagees.* The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Governing Documents, the membership register, books of account, the minutes of meetings of the Members, the Board, and committees, and any other records as required by Georgia law. The Board shall provide for such inspection to take place within ten (10) business days after receipt of a written request for access at CHEHOA's office or at such other place within the Community as the Board shall designate.

(c) *Rules for Inspection.* The Board shall establish rules with respect to:

- (i) the frequency and manner of inspection; and
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(d) *Inspection by Directors.* Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by CHEHOA. A director's right of inspection includes the right to make a copy of relevant documents at CHEHOA's expense.

10.5. Notices.

(a) *Form of Notice and Method of Delivery.* Except as otherwise provided in the Declaration or these By-Laws or by Georgia law, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, or if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

(b) *Delivery Address.* Notices shall be delivered or sent to the intended recipient as follows:

(i) if to a Member, at the address, telephone facsimile number, or e-mail address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member;

(ii) if to CHEHOA, the Board, or a committee of either, at the address, facsimile number, or e-mail address of the principal office of CHEHOA or its managing agent, or at such other address as CHEHOA shall designate by notice in writing to the Members pursuant to this Section; or

(iii) if to the Declarant, at the Declarant's principal address as it appears on the Secretary of State's records, or at such other address as the Declarant shall designate by notice in writing to CHEHOA pursuant to this Section.

(c) *Effective Date.* Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by United States mail, when deposited with the U. S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(iii) if sent by telephone facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation of transmission.

10.6. Amendment.

(a) *By Declarant.* Prior to termination of the Declarant Control Period, the Declarant may unilaterally amend these By-Laws. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots. So long as the Declarant owns a Lot within Country Hills Estates, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any Member's right, subject to the approval requirements in Chapter 16 of the Declaration, if applicable.

(b) *By Members Generally.* Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 67% of the total votes in CHEHOA, and the consent of the Declarant, if such exists. In addition, the approval requirements set forth in Chapter 16 of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) *Validity and Effective Date of Amendments.* Amendments to these By-Laws shall become effective upon recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant, or the assignee of such right or privilege.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Country Hills Estates Homeowners Association, Inc., a Georgia nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of CHEHOA, as duly adopted by resolution of the Board of Directors thereof on the __ day of _____, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this __ day of _____ 2007.

_____, [SEAL]
Secretary